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War Brings Change for Afghans

Elders' Lose Influence to The Fighters

By James Rupert
Washington Post Service

JEREGHTU-I-WARDAK, Afghanistan — "It's shameful," said Abdurrahman, "that we cannot offer you, as our guest, any better food than this, but times are very difficult."

Gesturing, as he spoke, toward a dinner of bread, rice and a little meat spread on a cloth on the floor,

Afghanistan
The New Battlefields

First of three articles

Abdurrahman smiled sadly. A spry, bearded man of about 65, Abdurrahman is a leading elder of a tiny hamlet of 10 families near here.

With most of the village's older men, we sat in the best room of Abdurrahman's house, on cushions ranged along the four whitewashed walls of mud and straw. Abdurrahman had guided me carefully to the best seat and had tucked the house's best pillow behind my back.

Traveling through southern Wardak province, I had appeared in the village unannounced, with a small escort of mujahidin, or Afghan resistance fighters, and Abdurrahman immediately had asked us to spend the night at his house.

After six years of brutal, desperate warfare against the high technology and massed firepower of the Soviet Army and Air Force, Afghans such as the hospitable men of Abdurrahman's village can give a visitor the impression that, at its core, Afghanistan remains unchanged.

Despite the inescapable evidence of physical destruction — the gaping bomb and missile craters in orchards, houses and irrigation canals — Afghanistan's villagers, joking and talking softly at night in the dim glow of kerosene lanterns in their homes, suggest that the old and finely woven fabric of their society has survived intact.

It is not so.

For all the Afghans' impressive resilience as individuals, and for all the binding power of their traditions, their social fabric is being rewoven by this war. It is happening in ways that are difficult for outsiders to see, ways that leave even Afghans uncertain about the future of their society.

A month's travel in several southeastern provinces of Afghanistan near Pakistan, and several weeks of interviews in Pakistan with Afghans and others, suggest clearly that two important changes have taken place among Afghans since the Soviet invasion: a growing sense of nationalism and a new concern for politics.

For centuries, Afghanistan has been an isolated country of villagers and nomads, separated from each other by their mountains and by ethnic, linguistic and tribal differences.

As with many rural peoples in the Third World, Afghans were largely unconcerned with the political activities of their country's elite in the distant capital and traditionally had rebelled against the gov-

(Continued on Page 5, Col. 1)

The Washington Post

Insurgents lead a caravan of pack animals carrying weapons and ammunition along a mountain trail in Afghanistan.

Taba Feud Will Go to Arbitrator

Israelis Agree To Key Step on Border Dispute

By Thomas L. Friedman
New York Times Service

JERUSALEM — Israel agreed conditionally Monday to submit its Taba border dispute with Egypt to international arbitration.

The decision was reached by the "inner cabinet," which consists of five Labor ministers, led by Prime Minister Shimon Peres, and five Likud ministers, headed by Foreign Minister Yitzhak Shamir.

The cabinet announced its readiness to submit the Taba dispute to arbitration — provided Egypt agreed to fulfill certain conditions — after a debate that lasted from 6:30 P.M. Sunday until shortly before 7 A.M. Monday.

"The cabinet decided in principle to accept arbitration," Mr. Peres told reporters as he emerged from the session.

Israel Radio said that the session involved several bitter exchanges, particularly between the Likud minister of industry and trade, Ariel Sharon, and the pro-Labor minister without portfolio, Ezer Weizman. Several times during the night a break had to be called to ease the tension and give each side a chance to consult privately.

Taba, a 700-yard (640-meter) stretch of sand, lies just south of the Red Sea port of Eilat and contains little more than an Israeli luxury hotel and a beach.

The Israeli agreement would require Egypt to meet certain conditions as part of an overall "package deal."

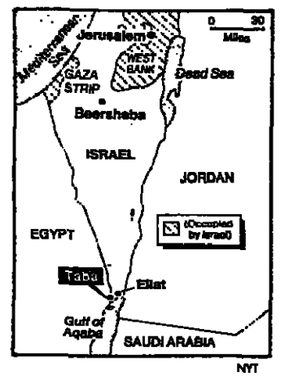
The first condition, according to Israel Radio, is that the arbitrator attempt to work out a mutually acceptable compromise through a negotiating process called "conciliation" before handing down any arbitration decision.

The Camp David peace accords stipulate that border disputes between Israel and Egypt be solved through "negotiation," and if that fails then "conciliation," and only if that fails through "arbitration."

Likud ministers have argued that the conciliation phase must be attempted before arbitration, even though they were ready to agree to make it a part of an overall arbitration process.

Second, the Israeli agreement on arbitration is conditional on a timetable being observed, not only for the arbitration process but for the implementation of the normalization of relations, trade and tour-

(Continued on Page 5, Col. 3)



Reuters

Prime Minister Shimon Peres, after an all-night meeting of the Israeli 'inner cabinet,' announcing Monday that a conditional agreement had been reached to submit the Taba border dispute with Egypt to international arbitration.

U.S. Gets Threat Of Attacks

Purported Vow By Islamic Jihad Is Made in Cairo

The Associated Press

CAIRO — A letter purportedly from Islamic Jihad that was received Monday by a Western news agency threatened attacks against "the most vulnerable points of American imperialism."

There was no way to determine whether the undated letter, posted in a plain white envelope in Egypt and written in English, was sent by Islamic Jihad, a Moslem fundamentalist group that has been blamed for anti-U.S. bombings, kidnappings and other attacks in Lebanon.

Fighting broke out in Beirut as the presidents of Lebanon and Syria met in Damascus. Page 2.

Most statements distributed in Lebanon by the group are written in Arabic. The organization disclaimed an English-language letter circulated in Beirut on Dec. 31 that made threats against the United States.

The letter received Monday was addressed to "American policymakers," and said that the threatened strikes were in retaliation for alleged U.S. aggression against Moslem Arabs and warned that "retribution will be unmerciful and everywhere."

"The Americans will experience for the first time the righteous anger of the Muslims on their own territory," it said. "We will strike at the most vulnerable points of American imperialism."

A group using the name Islamic Jihad circulated letters in Cairo in March 1984 threatening attacks on U.S., Italian, British and French embassies to punish those governments for participating in a multinational force in Lebanon. No attacks were reported.

■ *Dutch Extend Alert*

Dutch security services have extended a special security alert to protect American as well as Israeli and Jewish targets against possible guerrilla attack, Reuters reported from the Hague, quoting Dutch Justice Ministry officials.

Police in the Netherlands and several Scandinavian countries took special security steps over the weekend following intelligence reports that attacks could be imminent.

Dutch police said the latest alert was similar to one before the attacks at airports in Rome and Vienna that left 19 dead.

Judge Rejects Appeal By Winnie Mandela

By Alan Cowell
New York Times Service

JOHANNESBURG — The South African Supreme Court rejected Monday an appeal by the black activist Winnie Mandela against a government order forbidding her from living at her home in Soweto, Johannesburg's black satellite city.

However, Judge Louis Le Grange said Mrs. Mandela could still challenge his decision at a later hearing. "The matter in issue here is a matter of personal freedom of the individual, a very important principle," he said.

Meanwhile, in Cape Town, Chester A. Crocker, the U.S. assistant secretary of state for African affairs, met with President Pieter W. Botha and Foreign Minister R.F. Botha.

For the past five years, Mr. Crocker has been embroiled in efforts to seek a southern African peace arrangement to end conflicts in South-West Africa and Angola.

Some Western diplomats said his current initiative, involving talks last week in Angola and Zaire, seemed to be an 11th-hour attempt to press for a settlement before a possible resumption of U.S. covert aid to Angolan rebels. Such assistance, analysts said, would reshape the region's power balance and erode Washington's limited influence with the Soviet-backed government in Luanda.

In Johannesburg, Mrs. Mandela, wife of the jailed nationalist Nelson Mandela, was not present in court when Judge Le Grange handed down his ruling.

Mrs. Mandela has been under official restriction of one form or another for most of the past 23 years. Her court action challenged a Dec. 21 order preventing her from entering Soweto.

The order relaxed an earlier restriction, from 1977, that banished her to a black township outside the remote town of Brandfort in Orange Free State. That order was renewed in 1983. In court last week, however, her lawyers argued that the latest order last month had been improperly served, and thus had no validity.

In South Africa, banning is a unique form of punishment that allows the authorities to restrict people's movements and silence their public voice without a court hearing. Mrs. Mandela may not be quoted in South Africa and, until Dec. 21, was barred from meeting with more than one other person at a time.

She has been arrested twice for attempting to return to Soweto and is currently free on bail until Jan. 22. One of the conditions of her bail is that she should not enter Soweto. She is said by friends to be staying at a hotel outside Johannesburg.

Judge Le Grange dismissed Mrs. Mandela's case Monday, saying the Dec. 21 order was valid.

In Cape Town, U.S. officials said Mr. Crocker delivered to President Botha a confidential letter from President Ronald Reagan, apparently a reply to an earlier message that Mr. Botha sent to several Western leaders last year. The U.S. officials declined to say what was in the letter which was apparently the subject of the meeting.

Mr. Crocker had been scheduled to spend about 30 minutes with the president, but the meeting lasted 90 minutes.

Mr. Crocker had two days of talks in Angola last week. There has been no word, so far, on the outcome of the discussions.

Oil-Price Slump Squeezes Libya

With Stores Empty, People Are Rioting for Fresh Fruit

By Judith Miller
New York Times Service

TRIPOLI, Libya — A banana boat from Nicaragua steamed into port here last week. Several people were injured in the riots that broke out at fruit and vegetable stores throughout Tripoli, diplomats said, as people pushed and shoved one another for the prized imported fruit. There were similar riots two months ago, the envoys said, with two women killed and several people hurt when another banana boat arrived from Nicaragua.

Libya is still pumping about 990,000 barrels of oil a day, but it has no bananas, nor much meat, nor toilet paper, nor matches, nor detergent, nor soap. Fresh vegetables are also in short supply, as are many other products. The Suk el-Magamah, one of six giant government-run food and department stores in Tripoli, has had almost no fresh produce or meat of any kind for weeks, residents say.

Only three years ago the Libyan leader, Colonel Moamer Qadhafi, opened the plush department store, where shelves were piled high with subsidized consumer goods from all over the world. As part of the gala ceremony, reporters and the colonel's honored guest, Yasser Arafat, the head of the Palestine Liberation Organization, were treated to tea in the store's canteen, while the colonel praised the "people's stores" as a symbol of his country's prosperity.

The only food commodities in ample supply in the food section last week were 110-pound (50-kilogram) bags of Cuban sugar, boxes of tea from China, tomato paste from Greece, canned tomatoes from Cyprus, salt, damaged cans of vegetable fat, and insect spray. The display windows of the adjoining department store were cracked and dusty, the shelves empty.

'The Americans are heavily involved in maintaining the production side of oil. If maintenance falls, production falls, and that's bad news for Libya.'

— *Western businessman.*

Only two items were well-stocked. The top floor of the store was full of stuffed pot-bellied teddy bears, which Russian customers eagerly snapped up. Two floors below, the shoe department boasted about 20 pairs of men's tennis shoes, all size 45 (size 10½ in the U.S. system), bearing the word Jamahiriya in English. The word, Colonel Qadhafi's name for Libya, is roughly translated from the Arabic as "gathering of the masses." Both the teddy bears and tennis shoes were made in South Korea.

On Thursday, Colonel Qadhafi asserted that the shortages in goods were sometimes intentional "to force people to work harder and produce them." Most diplomats and economists, however, attribute the chronic shortages here to the sharp plunge in oil revenues. Libya's only major source of income. The country's annual oil income has fallen from a peak of $22 billion in 1980 to $8 billion to $9 billion in 1985, they said.

As the country has only slightly over three million people, Libya is still relatively prosperous, especially considering that only 30 years ago it had one of the world's lowest per-capita incomes and its only source of hard currency was the sale of scrap metal from World War II battlefields.

Families with incomes of less than $500 a month still get free housing, schooling and medical treatment. But the problem Libya

(Continued on Page 5, Col. 7)

For Some South Africans, Zulu Is Talk of the Town

Agence France-Presse

JOHANNESBURG — Some whites in South Africa, faced with an increasingly assertive black majority, are tuning in to a new television series that purports to teach the country's main black language, Zulu, in six months.

State-run television is airing the lessons twice a week for English speakers and twice for speakers of Afrikaans. The lessons began last week and will continue until July.

Their popularity is such that stocks of a workbook published to accompany the program have run out in several Johannesburg book shops. The Star, an English-language daily, is publishing a biweekly review of the lessons.

Zulu is spoken by six million of South Africa's 23 million blacks.

Referring to unease felt by many of the five million whites after 16 months of racial violence, The Financial Mail newspaper commented: "You know things are bad when whites start learning Zulu." South African whites traditionally have used Afrikaans or a pidgin Zulu in dealing with black employees or domestic servants.

The program has inspired a joke among whites: "A white optimist is someone who is learning Zulu. A white pessimist is someone learning Xhosa." The Zulu leader, Chief Gatsha Buthelezi, is considered a moderate. Nelson Mandela, imprisoned leader of the banned African National Congress, is Xhosa.

Shultz, Amid Protest, Addresses Writers

By Walter Goodman
New York Times Service

NEW YORK — The 48th International PEN Congress opened amid controversy as 66 writers and editors issued a letter saying it was "inappropriate" to have Secretary of State George P. Shultz address the delegates.

Two persons in the audience of more than 600 walked out Sunday when Mr. Shultz took the podium. There were some boos and hisses when he told the writers' group, "We have more in common than you think."

The administration of President Ronald Reagan, he asserted, "more than any in this century, is committed in philosophy and in fact to reducing the intrusion of government into the lives, minds and livelihood of the individual."

"Don't be surprised," Mr. Shultz concluded, "by the fact that Ronald Reagan and I are on your side."

The secretary of state referred obliquely in his speech to objections that he appear at the congress. He said he regarded the invitation by Norman Mailer, the president of the PEN American Center, "as another shining example of that charitable spirit for which New York literary circles have long been famous."

"America is proud to have you here," Mr. Shultz told the delegates. "Diversity, debate, contrast, argumentativeness are what we as a people thrive on."

He said the organization had made a "decision in favor of free speech" by inviting him.

The congress has attracted more than 700 writers from more than 40 countries to New York for meetings, readings, and panel discussions.

Addressing the theme of the congress, "The Writer's Imagination and the Imagination of the State," Mr. Shultz warned against "the intellectual and moral hazards of personifying 'the state' " or divorcing it "from its historical and social particulars."

Doing so is intellectually hazardous, he said, "because it glances over a number of distinctions between states — distinctions that are crucial to any meaningful reflections about politics and art."

Mr. Shultz emphasized the difference between countries in which writers may be silenced, imprisoned or killed "if their art appears to threaten the political fortunes of their rulers" and countries like the United States, "where writers can speak, write, and publish without political hindrance."

Mr. Mailer, who was elected president of International PEN by acclamation, defended the invitation to Mr. Shultz. Introducing him, Mr. Mailer apologized "for the silly, bad manners exhibited tonight."

Among those who objected to Mr. Shultz's presence were the South African novelist Nadine Gordimer, a vice president of International PEN; three past presidents of the American PEN Center, Galway Kinnell, Richard Howard and Richard Gilman; and Susan Sontag, a vice president.

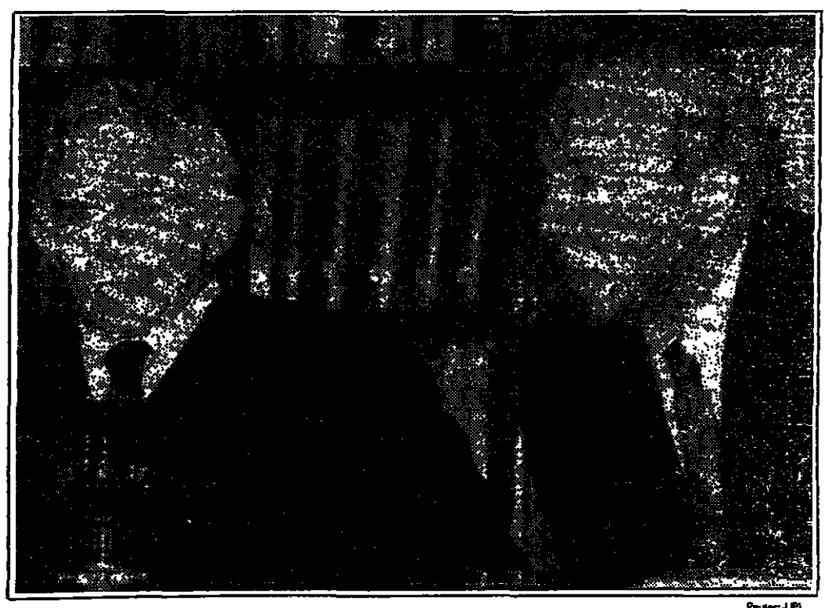
"Your administration," they wrote in their letter, "supports governments that silence, imprison, even torture their citizens for their beliefs."

They charged that the State Department, under Mr. Shultz's leadership, had barred many writers from the United States by invoking the McCarran-Walter Act.

The McCarran-Walter Immigration and Nationality Act of 1952 provides for the denial of visas to any alien who belongs to a communist or anarchist organization or who propagates the ideas of such groups.

Mr. Shultz drew a bit of applause when, referring to the administration's attitude toward the McCarran-Walter Act, he said, "We will

(Continued on Page 5, Col. 5)



Reuter-UPI

Norman Mailer, the American writer who is president of International PEN, and George P. Shultz, the U.S. secretary of state, at the opening session of the congress in New York.

'Your administration supports governments that silence, imprison, even torture their citizens for their beliefs.'

— Letter from writers and editors protesting Mr. Shultz's appearance.

INSIDE

AP/1983

Ali Nasser Mohammed, leader of South Yemen, survived an attempt on his life and four plotters were executed, state radio said. **Page 5.**

■ **U.S. diplomats** receive tips on outwitting terrorists in a course taught by the State Department. **Page 2.**

■ **Cuts in U.S. spending** were set under a new balanced-budget law. **Page 3.**

BUSINESS/FINANCE

■ **West Germany's** economy grew at a rate of 2.5 percent last year, down from growth of 2.7 percent in 1984. **Page 9.**

SPORTS

■ **The New England** Patriots routed Miami, 31-14, to earn a Super Bowl meeting with the Chicago Bears. **Page 15.**

Westland Chairman Predicts Victory For U.S. Rescue Bid; Vote Is Delayed

By Bob Hagerty
International Herald Tribune

LONDON — Sir John Cuckney, chairman of Westland PLC, predicted Monday that the disputed U.S.-Italian rescue of the near-bankrupt helicopter manufacturer would win shareholder approval. Other sources said the vote would be very close.

Sir John made the prediction after Westland announced that it would delay a shareholder vote on the rescue until Friday.

The vote had been scheduled for Tuesday but Westland said it needed to rent a larger auditorium to cope with an expected rush of shareholders and journalists.

Despite Westland's small size, the rescue has become a major political issue, leading to the abrupt resignation of Michael Heseltine as defense secretary on Thursday.

Westland's board strongly favors a proposal from the Sikorsky helicopter unit of U.S.-based United Technologies Corp. in conjunction with Fiat SpA of Italy.

"We're quite content that we'll get what we want on Friday," Sir John said.

Mr. Heseltine is pressing for a rival rescue offer from five European companies.

After resigning, Mr. Heseltine accused the government of secretly favoring the U.S.-Italian rescue while professing to be neutral.

In Parliament on Monday, opposition members accused Leon Brittan, the trade and industry secretary, of misleading the House of Commons over a letter sent to Prime Minister Margaret Thatcher concerning Westland, and called for his resignation. The letter was from British Aerospace PLC, which leads the all-European rescue offer.

Meanwhile, a fund-management arm of Robert Fleming & Co., a merchant bank, said Monday that it had sold a 9-percent stake in Westland. It declined to identify the buyer.

In the stock market, there were rumors that the shares had been sold to American interests.

Supporters of the all-European rescue said they remained confident that Westland's board would fail to receive the 75-percent approval needed for the Sikorsky-Fiat offer to succeed, but that the vote could be close.

Both groups have offered Westland cash and considerable subcontracting work in return for a 29.9-percent shareholding.

The European consortium is composed of Aerospatiale of France, Agusta SpA of Italy, Messerchmitt-Bölkow-Blohm GmbH of West Germany, British Aerospace and General Electric Co. of Britain.

For U.S. Envoys, a 'How-To' Class on Evading Attacks

By Bryan Brumley
The Associated Press

WASHINGTON — In its campaign against terrorism, the State Department is telling U.S. diplomats to leave behind "your Rambo T-shirts and red, white and blue jogging suits" and take a cautious approach to living and working abroad.

"It's a sign of the times that I spend my first full day at the State Department attending a seminar on terrorism," said Margaret M. Heckler, the former U.S. secretary of health and human services.

Mrs. Heckler, who became the U.S. ambassador to Ireland last month, was one of 50 people attending the department's seminar on "Coping with Violence Abroad" last week.

The one-day seminar instructs U.S. officials and their spouses on how to avoid terrorists and what to do if they are attacked or taken hostage.

The course has been expanded in response to the increasingly frequent and bloody attacks on Americans abroad. Further improvements in the course are planned in response to the threat and to counter criticism from diplomats.

For 175 years from the founding of the United States, not one American diplomat was killed for political reasons.

But over the last 20 years, 70 diplomats, including six ambassadors, have died in political assassinations, according to U. Alexis Johnson, who served as deputy ambassador to South Vietnam and as ambassador to Thailand and Czechoslovakia, among other diplomatic posts.

"We are not trying to create a paramilitary corps; our mission is diplomacy," said Arnie Campbell, the Foreign Service Institute official who coordinates the seminar.

In addition to the daylong session in Rosslyn, Virginia, foreign service officers get a one-day orientation at their overseas posts.

The briefing abroad identifies terrorist groups in the area and steps to reduce the risk of being attacked. It is open to all government employees who are assigned overseas.

The Rosslyn session began with a briefing on terrorism, including the attacks at the Rome and Vienna airports on Dec. 27 that resulted in 19 deaths.

The briefing was followed by a discussion of elementary steps for detecting surveillance and for dealing with street crime or a home burglary.

Participants heard lectures on fire safety and on how they should organize their lives so that they may guard against attack and prepare for a swift evacuation of their posts.

A reporter was not allowed to attend a classified portion of the seminar that included a briefing on bombs and a lecture by a psychologist on how to behave if taken hostage.

The course also included a demonstration of "offensive driving," such as techniques for ramming a car through a terrorist roadblock.

Mary Grigg, a special agent, advised participants to "dress like the locals. Save your Rambo T-shirts and red, white and blue jogging suits for the Marine ball."

In addition to the seminars, which began in 1976, the State Department has asked Congress to provide $3.2 billion in funding over five years to make embassies and other overseas facilities less vulnerable to terrorism.

Carol A. Madison, who served as a public affairs officer in the U.S. Embassy in Beirut from 1983 and 1984, when it was bombed twice, said the State Department course took the wrong approach.

"I found it largely inadequate for preparing foreign service personnel for the stresses, both physical and psychological, that are part of living with terrorism," she wrote in the Foreign Service Journal, a magazine for diplomats.

She called the seminar "counterproductive."

"By raising fears and then demonstrating techniques that only experts can perform to avoid terrorist attacks, it is apt to make people feel they are helpless to deal with the entire subject of terrorism and security," she said.

Her criticism highlighted the tightrope that a diplomat must walk. To be effective, he must have as much contact as possible with local people and officials; to be safe, he often must live and work in heavily guarded buildings and make himself as small a target as possible.

Vary Your Route, Find Havens, Yell 'Fire'

The Associated Press

WASHINGTON — Here is some of the advice given by the State Department in its "Coping With Violence Abroad" seminar:

Vary the time and route you take to and from work.

Learn the "safe havens" in your city where you can go if faced by attack, such as hospitals or police stations.

Drive a locally made automobile instead of a conspicuously American one.

Wear seat belts in case you need to take evasive action in your car.

Install secure locks and grilles on the windows and doors of your home.

Inform the embassy security officer if you are followed or watched.

Yell "fire" or "accident" in the local language if you are attacked. Yelling "help" does not usually solicit as much assistance.

Make a will and designate a guardian for your children in case you are killed or taken hostage.

If you see loose wires protruding from your car or a suspicious package inside it, don't get into the vehicle or start the engine.

Don't accept unmarked packages or allow repairmen into your home if they have not been called.

Keep your desk away from large windows.

If you hear gunfire on the street or if a bomb alarm goes off, keep away from the window.

Don't confront or argue with your captors if you are kidnapped or taken hostage. Angering them could prompt a violent reaction.

Marcos Runs Against Memory of Benigno Aquino

By William Branigin
Washington Post Service

MANILA — As President Ferdinand E. Marcos campaigns for re-election to the office he has held for 20 years, he assails his opponent with a fistful of accusations: political inexperience, "dalliance" with Communist rebels and advancing the interests of "oligarchs" and American "interventionists."

But, in a sense, he is running against a dead man.

Increasingly in his campaign appearances, Mr. Marcos has been attacking his former political rival, Benigno S. Aquino Jr., who was assassinated in 1983, and whose widow, Corazon C. Aquino, is the contestant in an election set for Feb. 7.

The attacks have laid Mr. Marcos open to charges of vilifying the dead or, as one opposition newspaper put it, "ghost-busting, Philippine-style." An opposition columnist, Maximo Soliven, wrote that for the first time, "a dead man has been 'resurrected' from the grave to become a major election issue."

Corazon Aquino makes no secret of the fact that her positions on various issues are essentially those of her late husband. In her campaign speeches, she has said repeatedly that she seeks justice for the former senator and opposition leader, whose killing she accuses Mr. Marcos of having ordered.

At her campaign headquarters in Manila's business district, there are more posters of Mr. Aquino and banners bearing his likeness and quotations on the walls than there are of Corazon Aquino.

AP/1980
Benigno S. Aquino Jr.

Reuters
Ferdinand E. Marcos

A reluctant politician who had never before run for office, Mrs. Aquino has said that she reached her decision to oppose Mr. Marcos for the presidency after praying for guidance at her husband's grave.

Upon announcing her candidacy on Dec. 3, a day after a Marcos-appointed court had acquitted 25 military men and a civilian of Mr. Aquino's assassination, she quoted her husband's words as he began his fatal journey home: "I will never be able to forgive myself if I could have done something and I did not do anything."

Mr. Marcos has responded by denouncing Mr. Aquino and raising alleged crimes for which he was sentenced to death in 1977 by a military court.

Mr. Aquino, known as "Ninoy," was a leading presidential contender when Mr. Marcos declared martial law in September 1972 and called off an election set for the following year.

Mr. Aquino was the first opposition leader imprisoned after martial law was proclaimed. He was released in 1980, under pressure from the Carter administration, to undergo heart treatment in the United States.

He returned home in August 1983 in defiance of warnings from the Marcos government. Moments after he was escorted from his plane by military guards at Manila International Airport, he was shot in the back of the head.

The Marcos government blamed a lone gunman, Rolando Galman, who it said was hired by Communist rebels, and who was shot down on the airport tarmac by security men. An official fact-finding board and several other legal panels found that Mr. Aquino was shot by one of his escorts in a military conspiracy, but the government's version eventually was upheld by a special court last month.

An opposition newspaper reported that Mr. Marcos, in recent campaign outings, had spent at least 30 minutes at every rally in denouncing his dead opponent, never mentioning his current challenger by name.

"What qualifications does she have except that her husband was killed?" he asked in one appearance. "She always stands up and asks for pity, making believe that there was no reason for her husband's arrest."

In a news conference Friday, Mr. Marcos repeated charges that Mr. Aquino had participated in establishing the Communist Party of the Philippines nearly 20 years ago, with its original chairman, Jose Maria Sison, at an estate owned by the wealthy Cojuangco family into which Corazon Aquino was born.

In a government white paper issued last May on the history of the Communist Party, however, there is no mention of participation by Mr. Aquino in its creation.

And Mr. Sison has denied that Mr. Aquino had any role in founding the outlawed party. Mr. Marcos "should stop accusing a dead man who cannot defend himself," Mr. Sison said in a statement sent to opposition newspapers from the military prison where he is held.

Mr. Marcos also has claimed that Mr. Aquino financed a raid by Communist rebels on the Philippine Military Academy's armory in 1970 and ordered several persons killed during his political ascendancy.

Describing Mr. Aquino as "a man who has brought about much suffering in our country," Mr. Marcos rejected Friday any blame for his assassination. "If we had wanted Ninoy Aquino to be disposed of, would it not have been more sensible to just wait for the death verdict to be implemented?" he asked, referring to the sentence handed down under martial law.

Mr. Marcos said he had been obliged to make Mr. Aquino a campaign issue because his opponents had done so, and there was now "a need to open up the records of his case, for which he was given the death verdict."

Militias Clash In Beirut as Gemayel Goes to Syria

Reuters

BEIRUT — Hard fighting erupted Monday among rival Christian militias in East Beirut as President Amin Gemayel arrived in Syria for crucial talks on a militia agreement to end Lebanon's civil war.

Machine-gun fire and anti-tank grenade explosions rocked Beirut's Christian sector. Witnesses said Beirut's largest gasoline depot was set on fire. First reports showed at least two persons killed and 11 wounded.

The Lebanese Forces and the rival Phalangist party accused each other of launching assaults just before Mr. Gemayel met in Damascus with President Hafez al-Assad of Syria on Syrian efforts to end the Lebanese civil war.

Political sources said the battles marked a struggle among Christian leaders, those for the Syrian-brokered agreement and those against it, to achieve overall dominance of the Christian community.

Mr. Assad was expected to press Mr. Gemayel to back the plan, political sources in Beirut said. Elie Hobeika, head of the Lebanese Forces, was joined by Nabih Berri, the Shiite Moslem leader, and Walid Jumblatt, chief of the Druze community, in signing the accord in Damascus on Dec. 28.

Mr. Gemayel, 43, a Christian, has not voiced outright support of the plan, and his backers in the Christian Phalangist party oppose clauses in the pact that would give Moslems more political power. Mr. Assad has publicly backed Mr. Hobeika.

The fighting Monday was the fiercest between the two Christian groups since an attack on a key Hobeika aide set off gun battles that killed at least 12 persons in East Beirut on New Year's Eve.

The summit meeting Monday was the leaders' second this month. A previous Lebanese-Syrian summit five days after the pact was signed produced no clear commitment from Mr. Gemayel for or against it. Lebanese Moslem leaders have warned that if he does not agree to back the accord during this summit, he will be forced to do so.

The pact has heightened traditional Christian fears by proposing reforms to reduce the prerogatives of the presidency and phase out a power-sharing system that has been weighted in favor of the Christians for the past four decades.

Manila's Military Is Said to Pledge To Abide by Vote

The Associated Press

MANILA — The Roman Catholic cardinal of Manila said Monday that top military officials had promised not to interfere in next month's presidential election, even if President Ferdinand E. Marcos lost to Corazon C. Aquino.

Cardinal Jaime L. Sin, referring to opposition fears of a military coup that would lead to cancellation of the election, said in a speech that he had talked with commanders of the army, navy, marines, air force, constabulary and police.

He did not say whether he had talked with General Fabian C. Ver, chief of staff of the armed forces, who is known for his personal loyalty to Mr. Marcos.

The U.S. ambassador, Stephen H. Bosworth, said at a news conference that the United States would have difficulty with a relationship "of the quality we would like to carry out with the government of the Philippines" if the election Feb. 7 were not viewed as credible.

Still Fighting War, 2 Aging Japanese Aid Malay Rebels

United Press International

KUALA LUMPUR, Malaysia — Two Japanese soldiers, who have been deluded into thinking World War II has not ended, are reported to be helping Communist rebels in southern Thailand, security officials said Monday.

Officials said that since the late 1940s the soldiers had been held by Malaysia's Communist rebels and had been put to work as armorers. The two maintain and repair the insurgents' firearms, most of which date from the 1940s, and design and produce booby traps and small bombs, said one official.

The Japanese were hiding in a jungle along the Malaysian-Thai border when Communist rebels discovered them in 1948, the officials said.

Another official said the pair had been deluded into thinking that World War II was still going on, that the Communists were aiding Japan and that Malaysian security forces were Allied troops.

100 MIAs May Be Alive in Vietnam, Says U.S. Official Who Visited Hanoi

The Associated Press

WASHINGTON — A high Reagan administration official who was in Hanoi last week raised the possibility Monday that 100 or so Americans may be alive in Vietnam.

"We've had over 800 reports of live Americans in Vietnam in the last 10 years," Paul D. Wolfowitz, assistant secretary of state for East Asian and Pacific affairs, said on television. "We've checked out a lot of them. There are roughly 100 that we believe hold up under this best scrutiny we can put to them."

Meanwhile, the assistant secretary of defense for international security affairs, Richard L. Armitage, who led a U.S. delegation that met with the Vietnamese last week over the issue of Americans listed as missing in action, said the administration "acts under the assumption that at least some Americans are being held against their will in Indochina."

Mr. Armitage said Jan. 7, however, that the United States had no proof that any Americans remained alive in Vietnam.

Officials have generally played down speculation about missing Americans. One exception was Robert C. McFarlane, the president's national security adviser until his resignation last month. He said at a private gathering late last year he believed there might be some surviving POWs.

The Vietnamese deny holding Americans, but affidavits filed to a lawsuit last week in U.S. District Court in Fayetteville, North Carolina, allege some of the plaintiffs saw POWs as recently as October in Vietnam and Laos. A Thai gold merchant said he saw Americans working in gold mining details in Laos.

The Armitage group, which included Mr. Wolfowitz, met in Hanoi with Foreign Minister Nguyen Co Thach. Mr. Wolfowitz said Monday that, as a result of the meetings, the Vietnamese "at least agree that when we give them information to check" on Americans who are missing, "they're willing to check it out."

In another development, a congressional delegation of four headed for Vietnam. The group's leader, Senator Frank H. Murkowski, Republican of Alaska, derided Vietnam for what he called a "very callous" attitude toward the issue of missing Americans.

Most of the 2,441 Americans listed as missing in action in Indochina — 1,797 — were reported missing in Vietnam. There are 556 unaccounted for in Laos and the rest in Cambodia.

■ U.S. Probes Reported Death

The State Department said Monday it was investigating reports that an American may have been killed while on a private mission in Laos to find missing U.S. servicemen, The Associated Press reported from Washington.

The department spokesman, Bernard Kalb, said various reports had been received from Lao refugees in northeastern Thailand that a group of Americans entered Laos illegally on a rescue mission in December.

He said some reports indicated that an American had been killed, while another report said a second American was captured in a clash with Lao forces.

"We are investigating these reports and have not been able to confirm any of them," Mr. Kalb said. He reiterated the U.S. government's opposition to such rescue efforts.

He said the key to learning the fate of missing Americans lay in gaining the cooperation of the Vietnamese and Lao governments.

"Private forays necessarily based on inadequate information only disrupt this effort and endanger those involved," Mr. Kalb said.

U.S. Trade Is Backdrop for Nakasone in Canada

By Herbert H. Denton
Washington Post Service

TORONTO — Japan looks enviously at the way Canada has piled up a big trade surplus with the United States while dodging the blows of protectionists in the U.S. Congress.

Canada, still reeling from high unemployment and the effects of the last recession, casts longing looks at Japan's wealth and technological acumen and is pursuing expanded trade and joint investments with the Japanese.

With trade relations with the United States serving as a backdrop, Prime Minister Yasuhiro Nakasone arrived Sunday for a three-day state visit to Canada, and Prime Minister Brian Mulroney wasted no time making his pitch for Japanese investment in Canada.

Although Mr. Mulroney and Mr. Nakasone discussed nuclear arms and issued a statement opposing terrorism in general terms, their talks on these matters are considered secondary to such issues as trade.

Canada and Japan are the United States' two largest trading partners. Japan's merchandise trade surplus with the United States was about $37 billion in 1984 and was estimated at close to $50 million for 1985. Canada's surplus was $20.4 billion in 1984 and was expected to reach $21 billion for 1985.

Despite amicable relations between Canada and Japan, there are strains. "It's very difficult to do business with the Japanese," a Canadian oil industry official said. "They like to play the international market game."

The Japanese are not convinced that they want to participate in large-scale investments and high-technology joint ventures with the Canadians. They look disapprovingly at the Canadian work force, which rivals Italy in frequency of labor disputes, and they say they find Canadian businessmen lacking dynamism.

The Japanese have attempted to dampen Canadian hopes for winning any big transactions during Mr. Nakasone's visit. In Tokyo, they have described the visit as primarily a courtesy call before the May economic summit meeting involving the major industrialized countries.

Mr. Nakasone, who was accompanied by Foreign Minister Shintaro Abe, is scheduled to speak Monday to Parliament in Ottawa.

Prime Minister Yasuhiro Nakasone of Japan arriving in Toronto on a state visit.

Reuters

WORLD BRIEFS

U.S. Talks Open on Bonn Role in SDI

WASHINGTON (AP) — Economics Minister Martin Bangemann of West Germany was beginning talks with U.S. officials on Monday concerning possible West German participation in research on the U.S. Strategic Defense Initiative for a high-technology nuclear shield.

Mr. Bangemann was scheduled to see Clayton K. Yeutter, the U.S. trade representative; Defense Secretary Caspar W. Weinberger; John M. Poindexter, the national security adviser; and Lieutenant General James A. Abrahamson, head of the SDI Organization, a Bonn government official said.

Another West German official said Mr. Bangemann's visit was only the start of negotiations to establish a framework under which German companies could do research for the project and that on this occasion, "nothing is expected in the way of an agreement."

Shuttle's Comet-Viewing Device Fails

SPACE CENTER, Houston (AP) — Columbia's astronauts spent their first full day in space Monday attempting to repair balky equipment, including a light intensifier that threatened to spoil photos of Halley's Comet taken from space.

The seven-man crew, which includes a Democratic representative from Florida, Bill Nelson, reported malfunctions on a medical device, an astronomy instrument, a materials processing experiment and a special camera that was aimed at the comet.

On the ground, National Aeronautics and Space Administration officials indicated they would consider shortening the mission, which was delayed seven times, to four days from five. This would help the agency keep on its schedule of launching 15 shuttle missions this year, a flight director said.

Bonner Has Heart Surgery in Boston

BOSTON (UPI) — Yelena G. Bonner, the wife of the Soviet dissident Andrei D. Sakharov, was in satisfactory condition Monday following rare sextuple bypass surgery to increase the blood flow to her heart and relieve chest pain.

Doctors at Massachusetts General Hospital used five veins from a leg and one artery from the chest wall to increase the blood supply to her heart in a procedure that lasted more than four hours. She promised a cardiologist before the operation that she would give up smoking.

A hospital spokesman said Mrs. Bonner "was doing well" in the intensive care unit and would remain at the hospital for eight to 10 days. Mrs. Bonner arrived in Boston last month on a three-month medical visa granted by Soviet authorities.

Reuters-UPI
Yelena G. Bonner

Debt Stalls Spain-Egypt Arms Deal

MADRID (Reuters) — Spain is seeking to sell $650 million worth of military equipment to Egypt, but contingent on Spanish companies being paid for previous contracts, sources close to the discussions said Monday.

These sources said the money owed made up "a significant part" of Egypt's $1.3-billion debt with Spain and largely involved payments to Empresa Nacional de Autocamiones, or Enasa, as well as canceled contracts with that company.

The contracts under discussion include the delivery of warships and land transport vehicles by Bazán and Enasa, both part of the INI state industrial holding group. Bazán has delivered two corvettes to the Egyptian Navy, while Enasa signed three contracts in 1981 and 1982 to deliver $850 million worth of military and civilian transports.

Tunisian Union to Reinstate Leader

TUNIS (AP) — Tunisia's principal labor union federation has moved to reinstate the imprisoned Habib Achour as its secretary-general, after removing him in December from the leadership of the union he co-founded in 1946.

He was removed while under house arrest for allegedly causing an "insurrectional atmosphere" through labor disorder. The move was seen as an attempt by the General Union of Tunisian Workers to end a six-month confrontation with the government. But Mr. Achour, 73, was then sentenced to a year in prison for allegedly breaking into offices of a fishing cooperative.

Federation leaders said Monday that its administrative body felt that despite the concession it made in removing Mr. Achour, an agreement reached Dec. 4 with the authorities had not been respected.

Pakistani Shiites Greet Iran's President

ISLAMABAD, Pakistan (AP) — President Ali Khamenei of Iran was mobbed by thousands of welcomers, many shouting anti-U.S. slogans, when he arrived Monday for a three-day visit to Pakistan.

The crowd at the Islamabad airport included many from Pakistan's Shiite community, who broke through police cordons, repeatedly stopped Mr. Khamenei's car, shook hands with him and raised such slogans as "United States is Islam's enemy" and "Death to American imperialism."

Pakistan is generally pro-United States and is a major recipient of U.S. military assistance. Members of the Shiite minority in Pakistan, which is mainly Sunni Moslem, started entering the capital Sunday to greet the first leader of post-shah Iran to visit Pakistan.

For the Record

Nigeria's military ruler said he would return power to civilians by 1990, state radio reported in Lagos. Major General Ibrahim Babangida made the announcement Monday in Abuja. He seized power in a coup in August and his government said it foiled a coup in December. *(AFP)*

Foreign ministers of eight Latin American nations, meeting in Venezuela, have appealed for the immediate halt of foreign aid to "irregular forces" operating in Central America, an apparent allusion to U.S. support for rebels fighting the Sandinist government of Nicaragua. *(UPI)*

U.S. and Soviet negotiators met Monday to resume talks on chemical weapons. It was their first meeting since the U.S.-Soviet summit meeting in Geneva in November. *(Reuters)*

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...LD BRIEFS

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The Associated Press

U.S. Prepares for Martin Luther King Day

With preparations under way for the first observance next Monday of the U.S. holiday honoring Martin Luther King Jr., the slain civil rights leader, Dr. King's widow, Coretta, was embraced by Muhammad Ali, the former heavyweight boxing champion, at a news conference in Atlanta.

Cuts Under New U.S. Budget Law Are Set

The Associated Press

WASHINGTON — A 4.9-percent cut in military spending and a 4.3-percent cut in domestic and other programs will be necessary March 1 to reduce the federal deficit by $11.7 billion under the new balanced-budget law, the White House announced Monday.

The White House spokesman, Larry Speakes, said the Office of Management and Budget had sent orders Friday to all affected federal agencies informing them of the estimated cuts necessary to be in compliance with the new law.

President Ronald Reagan will send the agencies a list of detailed cuts next month, he said.

The cuts are triggered if the estimated deficit for fiscal 1986, based on projections by the administration's Office of Management and Budget and the Congressional Budget Office, exceed the new law's deficit target of $172 billion by $20 billion or more.

■ $220-Billion Deficit Expected

Robert Pear of The New York Times reported earlier from Washington:

The administration and the Congressional Budget Office have concluded separately that the deficit for the current fiscal year will be about $220 billion, substantially more than prior estimates, administration officials said.

Reasons for the increased estimate include the cost of a new farm bill, passed in December, and the pace of military spending, which in recent months has been somewhat greater than anticipated, budget officials said.

The federal deficit, representing the difference between spending and revenue, never exceeded $100 billion before the fiscal year 1982, when it totaled $127.9 billion. The deficit was $207.8 billion in 1983, $185.3 billion in 1984 and $211.9 billion last year.

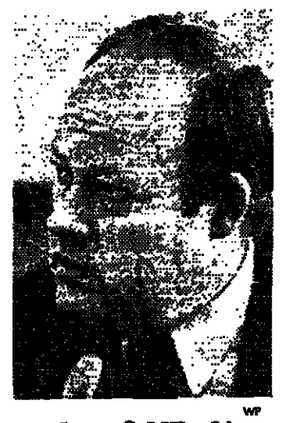
The new budget cuts of $11.7 billion in the current fiscal year are to be divided equally between military and other programs. They would be automatic; under the new budget law, no further action by Congress is required.

While cuts in nonmilitary programs are strictly defined in the new law, Mr. Reagan has a little more flexibility in deciding where to cut military accounts. He has already decided to exempt military pay and personnel spending.

The law established a complex budget-cutting formula, but left it to the two budget agencies to calculate the amount of the cut for each program. Their calculations will be reviewed by the comptroller general, Charles A. Bowsher, who makes the final decisions. He is considered likely to accept the findings of James C. Miller 3d, White House budget director, and Rudolph G. Penner, director of the Congressional Budget Office.

The law calls for cuts in almost every federal "program, project and activity." But it exempts Social Security retirement and disability payments and certain benefit programs for low-income people, like food stamps, and prescribes special treatment for a few other programs, including Medicare, the health insurance program for the elderly.

The new law, known by the names of its Republican sponsors, Senators Phil Gramm of Texas and Warren B. Rudman of New Hampshire, requires that the deficit be reduced in large installments over the next five years, to balance the budget by 1991. The constitutionality of the statute has been challenged in two lawsuits pending in U.S. District Court in Washington.



WP

James C. Miller 3d

U.S. Control of Livestock Drugs Called Inadequate

By Keith Schneider
New York Times Service

WASHINGTON — The Food and Drug Administration has inadequately monitored the use of toxic drugs and nutrition supplements in raising livestock, posing a grave threat to the health of consumers, a congressional report said Monday.

Residues of these substances, many of which have been identified as causing cancer and other illnesses, have been found in beef, pork, poultry, eggs, and milk, the report said.

The study, "Human Food Safety and the Regulation of Animal Drugs," was made public Monday. It is the most detailed congressional evaluation in 15 years of the Food and Drug Administration's ability to oversee and regulate the country's $2 billion-a-year animal drug industry. The study was prepared by the House Government Operations subcommittee on intergovernmental relations and human resources, which held hearings on Capitol Hill last summer.

The subcommittee report is the latest of recent congressional and government inquiries into how federal regulatory agencies control pesticides, food additives, drugs, and other toxic substances that are used in food production.

The subcommittee chairman, Ted Weiss, a New York Democrat, said, "The law requires, and consumers deserve, far more public health protection than the agency has provided. The FDA has repeatedly put what it perceives are interests of veterinarians and the livestock industry ahead of its legal obligation to protect consumers."

Agency officials said they agreed with most of the findings but that the conclusions were "overblown."

"There aren't a lot of surprises here for us," said Dr. Gerald Guest, acting director of the agency's Center for Veterinary Medicine, "This report is very much an overstatement of old, chronic problems that don't affect the public's health. The mere fact, for instance, that there are unapproved animal drugs out there doesn't necessarily translate into a public health problem."

Representatives of the livestock health products industry defended manufacturers against assertions that their products were unsafe.

"Our members make products that have been approved by the federal government after exhaustive research," said Steve Kimbel, vice president of the Animal Health Institute, which represents 55 major manufacturers of animal drugs and feed supplements. "They are used in virtually every food animal raised in the United States, and they are not harmful to human health."

Among the study's findings were these:

- The Food and Drug Administration has been unable to control the "widespread, illegal sales" of unregistered animal drugs imported from Eastern Europe and Asia.
- Thousands of animal drugs and feed supplements being used by American farmers to help keep animals healthy and make them grow more quickly have never been approved by the federal agency "and are being marketed in violation of federal law."
- The agency has failed to restrict or ban nearly a dozen animal drugs that its scientists have identified as carcinogenic. Mr. Weiss said this was "blatantly unlawful behavior by the FDA."
- The agency and the Department of Agriculture are charged with monitoring beef, poultry, pork, and milk for high levels of animal drug residues. But the report said the agency's scientists had not developed the chemical techniques necessary to detect the residues of many of these substances.

In one case cited, the report said, agency officials "actually fostered the illegal marketing" of an unapproved drug suspected of causing cancer and genetic damage. In 1977, according to the report's researchers, officials allowed manufacturers to market methylene blue, which is used to neutralize nitrate poisoning in cattle, without formal approval from the agency. Methylene blue is still being used despite a staff memorandum written in October 1984 informing agency officials that it was a "highly suspect carcinogen."

The study comes at a time when a number of recent incidents involving food contamination have threatened and alarmed consumers.

Two years ago, for instance, the Federal Centers for Disease Control issued a study that linked 18 cases of food poisoning, including one death, to hamburger infected with a strain of salmonella bacteria that was resistant to antibiotics. The Centers for Disease Control said the use of antibiotics to increase the weight of cattle and ward off disease was to blame for the outbreak. The cattle industry has since begun to decrease the use of antibiotics.

Officials of the Food and Drug Administration acknowledged that it had identified and inventoried only 7 percent of the thousands of animal drugs on the market.

The Race to Rule Begins in Paraguay

Stroessner Still Reigns, but Amid Rare Public Squabbling

By Alan Riding
New York Times Service

ASUNCION, Paraguay — In the republic of General Alfredo Stroessner, where 32 years of unchallenged rule have made one day seem much like the next, strange things have begun to happen.

A noisy public squabble among the president's supporters has shattered Paraguay's traditional political silence, while a regime that is infamous for its corruption has suddenly jailed 29 officials and businessmen on embezzlement charges.

Last month, in another unprecedented occurrence here, street vendors demonstrated against an order to evict them from sidewalks and, when heavily armed police arrived, the protesters shielded themselves with the Paraguayan flag, refused to budge and won the day.

But perhaps most surprising — given that the 73-year-old dictator is apparently healthy and already preparing for his election to an eighth successive five-year term — Paraguay is alive with rumors, speculation and maneuvering, all focused on a future without General Stroessner.

"What's happening now was impossible even a year ago," said Humberto Rubín, owner of Radio Nanduti and an outspoken critic of the regime. "Things are being said in newspapers and on the radio that were inconceivable in the past."

No one seems certain as to why this is happening. "One guy is in charge of this country," said a long-time foreign resident, "and nothing happens without his O.K."

Yet, while a political awakening is unquestionably taking place, the government has begun no liberalization program.

A state of siege suspending most constitutional guarantees remains in effect; the country's leading newspaper, ABC Color, was closed two years ago and has not been allowed to resume publication; about 25 political prisoners are in jail and small opposition groups are continually harassed.

The regime's bizarre political language is also unchanged. "Here there is peace and political stability and development," said Mario Abdo Benítez, President Stroessner's influential private secretary. "It would be difficult for our democracy to perfect itself much more."

Underlining its sensitivity to outside "meddling," the government also furiously denounced the new U.S. ambassador here, Clyde Taylor, for meeting earlier this month with four tiny opposition parties that make up a loose coalition known as the National Accord.

But while posing no immediate threat to the regime, political effervescence has continued. Some opposition figures have pointed out that, for the first time in 25 years, this landlocked nation's neighbors — Brazil, Argentina, Bolivia and Uruguay — are all democracies, providing a powerful "demonstration effect" to local public opinion.

Further, a decadelong economic boom that accompanied construction of the huge Itaipu hydroelectric dam on the border with Brazil created a host of new fortunes and enlarged the middle classes. But when it ended four years ago, speculative, rather than productive, investment left a legacy of unfarmed agricultural land, empty high-rise buildings, inflation, unemployment and dissatisfaction.

In the political arena, as Paraguayan society gradually has become more modern, friction inevitably has increased with a power structure that has not changed in three decades. And as the nation's dictator has grown older without preparing a successor, competition for future power within the ruling circle has intensified.

While General Stroessner's personal authority is unquestioned, he has in practice ruled through the armed forces and the Colorado Party. His son, Gustavo, 43, an air force lieutenant colonel, and General Andrés Rodríguez, commander of the powerful 1st Army Corps, have been mentioned as possible successors, but it is among the Colorado Party members that the infighting has been most bitter.

General Stroessner took over the century-old party in 1954 and promoted many close aides to positions of influence in its ranks. Increasingly, though, the power of these so-called "militants" has been challenged by the "traditionalists," members of old Colorado families who want to restore some of the party's autonomy in preparation for the post-Stroessner era.

The sharpest clashes between the two Colorado factions, though, have followed the disclosure of a $100-million fraud involving officials of the nation's central bank who were providing dollars at the official exchange rate of 240 guaranis in exchange for falsified import invoices.

The hard currency then was remitted to bank accounts abroad or resold at a "free" exchange rate that at one point last year reached 1,100 guaranis to the dollar.

It is still unclear why General Stroessner ordered the clampdown and how much further it will go. But so far 15 bank officials, 14 businessmen and two Spanish bankers have been jailed; the central bank's general manager, Augusto Colmán Villamayor, is on the run, and the bank's long-time president, César Romeo Acosta, may face charges if his immunity from prosecution is lifted by the Council of State, as requested by two local judges.

Dutch Royal Couple in India

Reuters

NEW DELHI — Queen Beatrix of the Netherlands and her husband, Prince Claus, have begun a 10-day tour of India, The Press Trust of India reported Monday.

Salvadoran Archbishop Says Air Force Bombed Civilians

New York Times Service

SAN SALVADOR — In one of his strongest statements to date, the archbishop of El Salvador has condemned bombings of civilians by the government air force and the destruction of homes and crops in army sweeps of rebel-held areas.

The archbishop's charges, made in a statement read Sunday morning in his name at the national cathedral, come after a highly unusual one-week trip by the archbishop to rebel-held territory in northern Chalatenango department. Archbishop Arturo Rivera y Damas also charged that two bombs had been dropped within four miles (about seven kilometers) of him on the first day of his visit.

The archbishop's charges seem to corroborate evidence gathered by several journalists that the air force has attacked a number of villages occupied by civilian supporters of the rebels, despite the prohibition of such attacks by President José Napoleón Duarte.

The Salvadoran government, the U.S. Embassy in San Salvador and the Salvadoran Air Force have all denied that villages are being bombed.

The archbishop said in his statement that he walked and rode on horseback through the Chalatenango region, baptizing, marrying and taking confessions from hundreds of villagers who have been cut off from the rest of the country because of their decision to live with and actively support the leftist guerrillas of the Farabundo Martí National Liberation Front.

Separately, the Salvadoran Army chief of staff, General Adolfo Blandon, said Friday that leftist guerrillas had killed 426 Salvadoran soldiers and wounded 1,683 in 1985, while the army killed 1,034 guerrillas.

The figures, which cannot be independently verified, show that a high level of combat is still taking place in the civil war that started six years ago. But they also indicate that the rebels, while inflicting considerable casualties on government forces, are not killing or wounding enough soldiers to be able to defeat the army in the "long war of attrition" that the rebels have pledged to wage.

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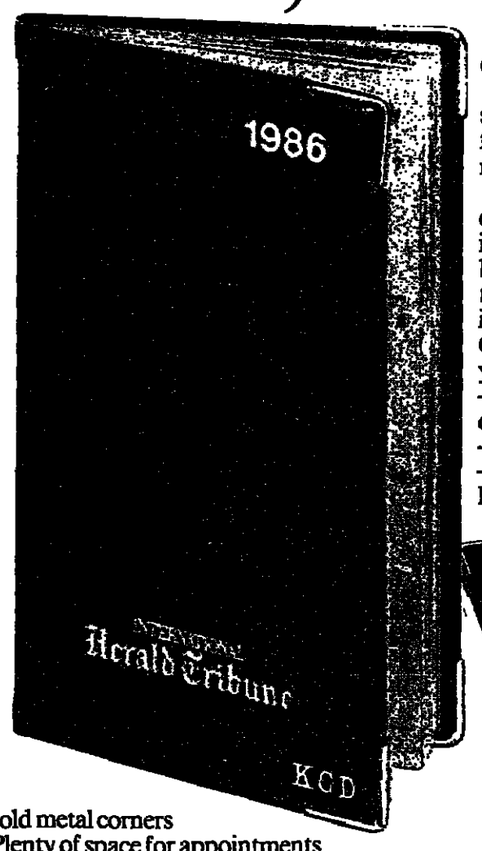

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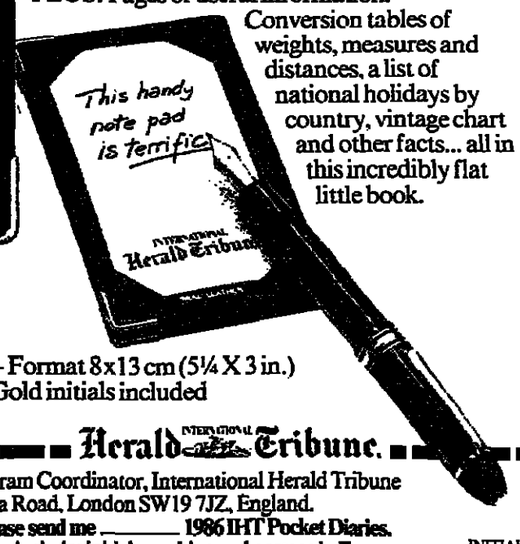

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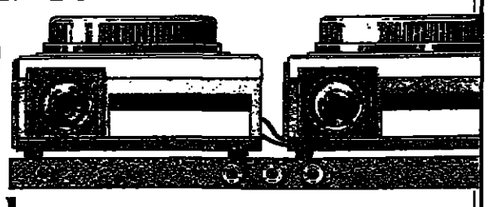

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A Dawn in Pakistan?

Critics of Mohammed Zia ul-Haq say that his ending of 8½ years of military rule is phony. The interesting thing, however, is that they are saying it loudly in the press and at rallies in Pakistan. General Zia remains president and chief of staff of the armed forces; he appointed Prime Minister Mohammed Khan Junejo. But Mr. Junejo rejected the president's caution not to start again down the path of organizing political parties, and he seems to be playing down elements of the capricious "Islamization" (under which, for instance, interest on loans was banned but "markup" allowed) that President Zia favored. He is releasing numbers of political prisoners. The sun of democracy may not be beaming down on Pakistan "with full glitter," as Mr. Junejo says, but there do appear to be signs of dawn.

Ending Pakistan's third extended bout with military law in its 38 years, President Zia says he began it with the country foundering in "anarchy, bickering, recrimination." He exaggerates, but only the most uncritical partisans of the ousted Bhutto government will say there was no ground for concern. General Zia has done very harsh things. He has also displayed a skill at maneuver that shames many civilian politicians, and he has finally shown the wit to start withdrawing the military from its exposed position of political leadership.

It is always a question why a half-turn of this sort happens — the military plainly remains the power behind the throne — and why it happens at a particular time. Some suggest that President Zia was worried about the military's continued diversion from its professional and institutional role. Others ask if he looked at such veteran military rulers as Iran's deposed shah and Chile's 12-year dictator Augusto Pinochet, observed how they had become progressively isolated from their citizens and their country's traditional friends, and drew the right conclusions. It is also possible that he listened to the many Americans, official and unofficial, who have been advising him to move back toward constitutional rule, the better to assure long-term stability in Pakistan and an improved standing for himself in the United States. Whatever the reason, he is moving Pakistan the right way, and Americans have reason to encourage him to keep going.

— THE WASHINGTON POST.

Privatize With Caution

"Privatization" means the opposite of "nationalization," but until just a few years ago the tendency was all one-way. Selling or giving away public property was just a gleam in the eye of a few free market zealots. Nowadays the idea of privatization is generating enthusiasm from the Potomac to the Ganges.

The British government has sold off aerospace, communications, oil, hotel and trucking companies and plans to sell British Airways, Rolls-Royce and the London Water Authority. Japan's is auctioning off telephone, airline, rail and tobacco companies. Turkey's has sold the bridge across the Bosporus.

In the United States, coalitions of environmentalists, budget cutters and free marketeers press for the sale of federal grazing and timberlands and irrigation water. President Reagan urges the sale of Conrail. Budget Director James Miller reportedly favors privatizing functions like home mortgage insurance, postal service and small-airport traffic control.

The global trend owes much to the failure of socialism or traditional statism to raise living standards or redress economic injustices. But the wisdom of trying to stimulate growth by converting public ownership to private should be assessed case by case. If privatization is not to become a discredited fad, an analytic framework is needed for picking potential winners.

Consider what privatization does not do:

- It cannot ease the credit crunch caused by budget deficits. Selling public property for cash does reduce a government's measured deficit, but, unlike a tax increase or a spending reduction, that would not reduce private wealth or income. So it cannot cut consumption and thus would not reduce interest rates or liberate capital for more productive uses.
- It cannot relieve a government of its social responsibilities. Private enterprise may be able to deliver essential public services like mass transit, sanitation, education or parks, with less waste. Scottsdale, Arizona, for one example, saves $2 million a year by hiring a private firefighting contractor. But the reluctance of people to pay for services that they once got "free" should not be confused with an increase in efficiency. For example, the inability of poor people to afford private college tuitions does not mean that delivering the service at public expense is not worth the cost.
- It is unlikely to make monopolies more efficient. State-owned airlines like British Airways are typically less well managed, but that is usually due to the lack of competition, not to public ownership. Regulated monopolies, public or private, that can easily pass on costs to consumers have little reason to economize.

But privatization may reduce incentives for waste. Government agencies that sell scarce resources, like irrigation water or hydropower, often find it politically impossible to charge private customers for their real value. The result, in cases like the Westlands Water District in central California, is profligate use, even as Los Angeles spends hundreds of millions to develop new sources of water.

And privatization may temper political demands for inefficient operations. State-run businesses that depend on subsidies, like Amtrak, are rarely able to cancel uneconomical services or to dismiss employees. Privatizing such companies does not eliminate the public pressure. But in America, where the subsidizing of money-losing private companies is not traditional, it may shift the burden to those who want to maintain the services.

Privatization is not a cure for every economic ailment. But the spreading skepticism about public enterprises offers opportunities to reexamine them with an eye to raising productivity and paring unjustifiable subsidies. The tough job ahead is to mold that trendy skepticism into enduring economic improvements.

— THE NEW YORK TIMES.

The AIDS News Is Bad

The recent news on AIDS is bad. The death of Rock Hudson in October raised concern in America about the epidemic almost to the point of panic. That reaction subsided for a time as people were reassured about the reliability of new tests for donated blood and about the improbability of contracting the disease casually. Now general concern is focused not so much on personal risk — most cases continue to occur in the high-risk groups of male homosexuals and drug addicts — but in the growing realization that this disease is having a deep impact on society.

It is absorbing financial and other resources. AIDS patients require long-term care in hospitals and out-patient facilities, and the health care systems in such cities as New York and San Francisco are not prepared to handle the demand. Bellevue, a large and respected municipal hospital in New York, devotes one out of every four beds in its department of medicine to AIDS patients. Most are hospitalized for months, and few have any private insurance. The Centers for Disease Control in Atlanta estimates that hospital expenditures for the first 10,000 AIDS patients — there are now more than 16,000 in the United States — were about $1.4 billion. The total economic cost to the nation of this first group of cases is estimated to come to $6 billion in health care, disability and lost productivity.

Private insurers were unprepared for the crisis, since the invariably fatal disease hits primarily younger people. Ninety percent of patients are between 20 and 49 years old. It is becoming difficult for those in high-risk groups to get health and life insurance, and in the absence of private coverage, public funds must be used. Also, many of the victims are for all practical purposes homeless, rejected by disapproving or frightened friends and family, without employment and in need of emotional and psychological support. It must be given.

More important, there is bad news on the medical front. In spite of a stepped up research program there is no sign of an imminent breakthrough to a cure. More than 8,000 American victims have already died; no one has recovered. The public has also learned that earlier assurances that only 5 to 10 percent of those who have been exposed to the virus will contract the disease were far too optimistic. Researchers have now raised that figure to at least a third. Estimates of expected future cases have accordingly been adjusted upward.

A Bellevue doctor, quoted recently in The New York Times, reflected the despair of those who deal with AIDS patients every day: "The cost is staggering, the grief is overwhelming, and there is no end in sight." Yet physicians, social workers, clergy and scientists continue to work and to hope. Others not directly involved can help by giving support to public funding for research, hospital and hospice care and support services. A public resolve to provide care now and an eventual cure for those who suffer is the best response.

— THE WASHINGTON POST.

FROM OUR JAN. 14 PAGES, 75 AND 50 YEARS AGO

1911: Plague Spreads in Manchuria

PEKING — In view of the appearance of the plague in Kirin, Kwanchengtze, Mukden, and villages farther south in Manchuria, the Chinese Government is exerting every effort to prevent its spread south of the Great Wall. An edict impresses upon the Viceroy of Chihli the necessity of adopting drastic measures. At a conference between a representative of the Viceroy and the Legation doctors at the Wai-Wu-Pu, it was decided to discontinue the operation of trains south from Mukden in the near future, until a properly equipped disinfecting plant has been established at Shanhaikwan. The plague is of a pneumonic type. Every case which has been reported here has proved fatal.

1936: Quake Buries Town in Andes

BOGOTA — "The mountains heaved up like a rough sea and the hamlet of La Chorrera, with its 200 inhabitants, disappeared." This was how the sole survivor of La Chorrera, nestled in the Andes, described the earthquake which wiped the hamlet from the face of the earth. He had staggered into a neighboring village telling of the disaster that caused great damage in many villages near the border of Colombia and Ecuador. "A crater appeared on top of a hill. Tall flames leapt high into the sky. Great landslides swept down the mountain slopes and the houses of the hamlet were buried." It is believed that the volcano El Azufral, supposed dormant, suddenly awoke in eruption.

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A Land's 'Frail Strand of Hope' Survives

By Tom Wicker

NEW YORK — "I can't stand bullies, and I don't like people being fobbed off with second-rate justice," Molly Blackburn once said.

Last May, at one of the numerous funeral rallies blacks have staged during 15 months of unrest that have claimed more than a thousand lives in South Africa, Mrs. Blackburn, a white activist, led a delegation of white people into a stadium jammed with thousands of blacks. "When she appeared," Alan Cowell of The New York Times reported, "blacks rose up to salute her with clenched fists — a rare tribute across the color lines in this divided land."

On Dec. 28, as she was returning to her home in Port Elizabeth after investigating allegations of human rights violations in a black township on the Eastern Cape, Mrs. Blackburn, 55, was killed in an automobile accident. Her funeral, attended by 10,000 South African blacks, became one of the biggest anti-apartheid rallies yet held — an even rarer tribute to a woman who defied convention, the law, the power of the state and the opprobrium of many of her peers to oppose bullies and "second-rate justice."

By Antonio in Expresso (Lisbon). CSW Syndicate.

But Mrs. Blackburn's work, notable and courageous as it was, symbolized something greater, something too easily lost sight of in all the reports from South Africa of injustice, repression, riots, violence and death. She embodied what Mr. Cowell called "the frail strand of hope" that whites and blacks in that unhappy country may yet salvage a way of living together in peace.

For Mrs. Blackburn was not alone among white South Africans in lending her strength, presence and sympathy to the country's millions of voteless and oppressed blacks. She was, for example, a member of Black Sash, a white women's anti-apartheid group; her political party, the Progressive Federals, is in official opposition to the ruling Afrikaner National Party, which devised and maintains apartheid.

Numerous whites, including not a few Afrikaners, have risked a great deal to support black rights. The Reverend Allan Boesak, who spoke at Mrs. Blackburn's funeral, was recently jailed for his efforts; the Reverend Beyers Naude, once a member of the secret Broederbond through which Afrikaners wield enormous political power, was "banned" for five years for preaching that apartheid was "un-Christian."

A delegation of white businessmen recently met leaders of the banned African National Congress to begin laying the groundwork for post-apartheid black-white relations. Other white political and business leaders have also spoken and acted for change.

As is shown in their recognition of Mrs. Blackburn, South African blacks know that not all whites are their oppressors. Influential black leaders, like Bishop Desmond Tutu, still work for moderation of the kind that caused the vast throng of blacks at the funeral to eschew, in Mrs. Blackburn's honor, violence and disorder.

"We do not hate whites," a black woman remarked during the funeral rally. "We only hate apartheid." That is the ground upon which South Africans of good will and fair mind, of whatever color, can stand together — opposition to an unfair system of "second-rate justice" and unequal opportunity, enforced by armed bullies and a ruthless government.

Not enough whites, either English-speaking or Afrikaner, yet share that ground to make Mrs. Blackburn's goal anywhere near a reality. Many whites, owing to the restrictive information policy of the government, hardly even realize the depth and passion of black resistance.

South Africa's most palpable injustice, moreover, is its central dilemma — that its oppressed blacks are an overwhelming majority. Blacks, persons of mixed white and black ancestry and Asians total roughly 22 million, to only about 5 million whites. Those figures guarantee determined white resistance to one-man, one-vote solutions; but anything less than a system of effective equality will not for long satisfy legitimate black aspirations.

So it is indeed a "frail strand of hope" that Molly Blackburn's life and work represent. But, as Mr. Boesak said, "She died still trying to mold out of the hatred and misery and suffering of our people something new, joyful, beautiful." And what she stood for lives on.

The New York Times.

Europe Aroused: Catching Up Means a Long Run

By Giles Merritt

This is the first of two articles.

BRUSSELS — How fares the technology gap that separates Europe from Japan and the United States? Is it still widening, or have the alarm bells of Western Europe been rung in the nick of time?

A year ago on this page *(Jan. 4 and 5, 1985)* I reviewed some of the factors that have been chiefly responsible for Western Europe's economic decline. To assess how irreversible that decline had become I looked not only at the high-tech issue but also at Europe's shrinking share of the global population (a likely 5 percent by 2010) and at the newly industrializing countries' remorseless growth.

As things turned out, 1985 was the year the Europeans awoke to the threat posed by their technology shortcomings. They began to see that there may be more to it than catching up with Japanese and American competitors: It could be that maintaining a worldwide technological lead will be tiny Europe's only remaining meal ticket in the 21st century.

The result has been a flurry of activity, with European corporations and governments hastening to take part in new cross-frontier linkups. The EC Commission in Brussels is masterminding a 10-year research drive in information technology called Esprit, while giants like West Germany's Siemens AG and Dutch-based Philips NV are to sink some $1.5 billion into a frantic bid to catch up in the area of microchips.

It is hard to know whether these and the many other catch-up efforts around Europe are producing merely the sensation of movement, or whether progress is genuinely being made. The latter part of 1985 saw a modest resurgence of optimism among European industry leaders, but perhaps they were concerned to talk up their own battered share prices.

> ***Only Euro-groupings will be able to afford the scale of investments that the technological revolution is demanding.***

The reality is that catching up with the United States and Japan amounts to a very long haul for Europe, and indeed may not even be possible.

The figures relating to Europe's high-tech industries make grim reading, and should be pasted over the shaving mirrors of every European leader and over Margaret Thatcher's vanity mirror, too. Not only do the Americans and the Japanese between them make more than 90 percent of all the semiconductors that are the building blocks of the microelectronics revolution, but, more important than that, their industries are now using four to five times as many semiconductors per head of population as do their European competitors.

The sums of money that European manufacturers *don't* make out of computers and telecommunications equipment is impressive. Europe's present yearly trade deficit on large mainframe computers alone stands at $10 billion, and by 1990 the present balance on telecommunications trade is expected to have nose-dived into a $16 billion deficit. Europe's share of world markets in these products tells the same story even more starkly.

European industry now has less than six percent of the world market for telecommunications equipment, as against Japan's 12 percent and America's huge slice of 39 percent. In semiconductors, European producers have lately launched a determined counterattack, but for the present their world market share stands at 8.5 percent in value terms, which is only two-thirds as much as it was in 1979.

Were it not for European manufacturers' contracts with their own governments, their 15-percent portion of the $300-billion-a-year information technology market would be even smaller. Yet if 1985 saw the beginning of Europe's long climb back to technological strength, it was partly because Europeans have begun to grasp the point that these "captive" markets have been their undoing.

The protectionism inherent in the different European countries' government procurement systems has fragmented European industry at a time when market logic should have been pushing it into cross-border partnerships. Only Euro-groupings will be able to afford the scale of investments that the technological revolution is demanding.

A good example is the $14 billion it will probably cost to amortize research and development for a new family of electronic switchboards for telecommunications. As the West German market for these in the coming decade is worth only $11.7 billion, and those of the French and British $10.9 billion and $7.2 billion respectively, a joint effort seems the only solution if Europe is not to be pushed out of a critical area.

The price of Europe's protected national markets goes far beyond that, for the calculation that has to be made is the cost in lost opportunity of a creaking, outmoded telephone system and of factories whose failure to automate will sooner or later mean their closure. Consultants Arthur D. Little reckon that per capita spending on telecommunications in Europe is now a third of U.S. levels, and put a $20 billion annual price tag on the lost revenues that conservatism is costing Europe's PTT authorities.

If the technology gap with Japan and America is eventually closed, the battle will probably be won in Europe's university laboratories. If it is lost, it will have been lost by Europe's shortsighted policy-makers. □

As Europe shapes up to the grueling task of catching up in high technology with Japan and America, it is worth asking the question: Does the technology gap really matter? The answer is, of course, that it matters very much — but not necessarily in the ways we think. Europe may be in danger of expending a great deal of effort in areas where the gap is of comparatively little importance.

International Herald Tribune.

The Russian Reviewers Have a Point

By David Remnick

WASHINGTON — The Soviet culture commissars gathered the Western press together on Jan. 3 and denounced America's recent cinematic orgies of Red-bashing: "Rambo," "Rocky IV" and "Red Dawn." The apparatchiks said the films were arousing an American "pathology of hatred" against the Soviet Union. Yevgeni Yevtushenko, a deputy culture minister and a poet famous largely for the decibel level of his readings, described such movies as "warnography."

There is no reason why Americans should like hearing their films criticized by a government that does not have the guts to produce anything but "agitational-propaganda," or agit-prop, art. But the commissars are dead right.

They should know. Ever since 1922, when Lenin called film his regime's "most important art," the Soviets have used movies as an instrument of influence and control.

The technical innovations of early Soviet films were matched only by their obedience to the political dogma of the revolution. The works of Eisenstein, Dovzhenko, Pudovkin and Vertov were notable for their lack of individual characters. Instead those directors were drawn to symbols, masses, types. Alexander Dovzhenko's "Arsenal" features a heroic stereotype who is a kind of Rambo-ski — Timosh the Ukrainian worker who cannot be killed by the bullets of a counterrevolutionary firing squad.

Western students of the early Soviet cinema still hear the golden age of the 1920s — the era of Sergei Eisenstein, Dziga Vertov, Vsevolod Pudovkin and Dovzhenko — called "revolutionary." Usually the word is used in its formal sense to describe, say, Eisenstein's radical innovations in the use of close-ups and montage in "The Battleship Potemkin" or "Strike," or Vertov's "documentary" footage of triumphant workers in his "Kino-Pravda" series. Their innovations dwarfed cinematic work elsewhere.

But always the force behind the films was propagandistic. They all served the consolidation of the Bolshevik revolution in the republics. The state was the ultimate studio, Lenin the ultimate mogul.

Eisenstein could hire thousands of extras to simulate the storming of the Winter Palace for "Ten Days That Shook The World" because the extras were working for free in service of propaganda. Vertov could travel the Soviet Union in search of footage and audiences because Lenin had ordered, at great expense, a number of agit-prop trains that trailed the Red Army across the mountains and steppes.

Like a Samuel Goldwyn, Lenin wrote his directives: "All movie exhibition programs should include a certain percentage of a) films of amusement, especially for advertising (attracting an audience) and for profit (naturally without obscenity and counterrevolution) and b) under the heading 'from the lives of all people,' pictures of especially propaganda character: such as the colonial policy of England in India, the world of the League of Nations, starving in Berlin, etc. etc."

The Soviets set the standard for all succeeding authoritarian propaganda. Hitler enlisted Leni Riefenstahl to produce films celebrating the Aryan ideal. "Triumph of the Will" was the result. Even today her images of the Nuremberg rallies arouse both a weird appreciation of her sense of fascist geometry and a repulsion at her blindness to evil.

By Peterson in the Vancouver Sun. Cartoonists & Writers Syndicate.

The West has also enlisted talented directors for propaganda. Frank Capra's World War II series, "Why We Fight," acknowledged the success of Riefenstahl's films by both imitating their forms and attacking their underlying ideology.

Mr. Capra's propaganda work in "Prelude to War" was so successful that he won the praise of Pudovkin, who called it a prototype of future international films "because it can be fully understood everywhere." But these days the Soviets are not quite so impressed with American propaganda, especially now that it is directed almost solely against them. Somehow they find the image in "Rambo" of a Russian army thug carving Sylvester Stallone's pectorals with a red-hot knife unfair. Somehow they find Mr. Stallone's portrayal in "Rocky IV" of Soviet athletes as mute technological Visigoths a tad impolite.

And somehow they find the scenario of John Milius's "Red Dawn" less than helpful to the cause of rapprochement. The story begins with Soviet paratroopers mowing down a row of Colorado school kids and ends with a few of the surviving adolescents taking to the mountains — equipped with Wheaties, Coke and shotguns — and wiping away the Commie invaders.

If only the Soviets were upset because Messrs. Stallone and Milius are not Frank Capra. They should be upset. So should Americans. After seeing these movies one feels diminished, slimy, cheapened, as if one had eaten nothing but spray cheese for a year or stayed all afternoon at a peep show.

Mr. Stallone and Mr. Milius have not created propaganda in the service of a crisis of state. Theirs is not a defense of anything but the profit motive. They have made a shrewd calculation: Americans are both frightened and pugnacious about the Soviet Union. The pair have made cynical, exploitative films.

Mr. Stallone celebrates nothing but himself. "Rocky IV" may be the most narcissistic film since, well, "Rocky III." Mr. Stallone, described once as the "stupido's Orson Welles," is far too dense and self-involved to create propaganda of any artistic or political merit. When World War II was raging, the American government was around to sponsor propaganda films. Without the help of a coherent national crisis and ideology, Mr. Stallone finds himself in a situation where propaganda is privatized.

Even if it is for the wrong reasons, the Russians are right. When it comes to movie propaganda, America should learn a little from the masters of the form.

The Washington Post.

Palestine: Convenient 'Evidence'

By Anthony Lewis

BOSTON — A 1984 book, "From Time Immemorial: The Origins of the Arab-Jewish Conflict Over Palestine," has made dramatic assertions on the basis of what it calls fresh historical evidence. It says that Palestine was essentially "uninhabited" by Arabs before the Zionist movement began toward the end of the 19th century. And that the Arabs came in large numbers after that, from nearby countries, drawn by the economic effects of Jewish settlements.

The author, Joan Peters, concludes that those who call themselves "Palestinian Arabs" — she puts the words in quotes — are mostly recent arrivals and hence have no real moral or historical claim to the land. Miss Peters argues this in 600 pages of text, footnotes and appendixes. Her book bore strong endorsements on its jacket from such important writers and intellectuals as Saul Bellow, Barbara Tuchman, Elie Wiesel and Lucy Dawidowicz. It drew mostly favorable reviews in America and has recently come out in paperback.

The praise focused on the political significance of the book's conclusion and on the author's industry in uncovering history. Martin Peretz, editor in chief of The New Republic, wrote that "many historians and journalists, predisposed in their conclusions, have systematically ignored methodologically basic evidence ... This book, if read, will change the mind of our generation."

But Miss Peters's "evidence" is cooked. That is what a growing number of scholarly critics have said. It is what I believe.

For example, she asserts that in 1893 the western area of Palestine, where Jewish settlement had begun, had a population of 59,431 Jews and 92,300 non-Jews. That shows, she says, that the Zionist settlers were hardly intruding into a land full of Arabs. But a 1893-94 census by the Ottoman Empire, which then controlled the area, showed a total of 9,817 Jews in all of Palestine and 371,969 Moslems. How did she get her results? She used the census only in part, relying also on an estimate, made by a French traveler of the time, that experts regard as worthless.

For her claim that immigration from nearby countries greatly swelled the number of Arabs in Palestine, Miss Peters cites scattered statements — often leaving out key words or misrepresenting them. Thus she cites a 1930 British report's mention of "pseudo-travelers," who stayed in Palestine to live, as if it were referring to Arabs, when the reference was evidently to Jewish travelers.

In small ways as well as large the book is slippery. Miss Peters says that a report by the Institute for Palestine Studies found that 68 percent of the Arabs who became refugees in 1948 "left without seeing an Israeli soldier." But the report was actually about refugees in the 1967 war, and the percentage cited was of just 37 refugees who were studied.

It is impossible to detail the character of "From Time Immemorial" in a newspaper column. It has been fully explored in criticisms by, among others, Norman Finkelstein, a Princeton graduate student; Bill Farrell, a Columbia law student; Sir Ian Gilmour, a British member of Parliament, and his son David, and Albert Hourani, an Oxford historian who called the book "ludicrous and worthless."

The criticisms are unanswerable, or at least have not been answered. That is the extraordinary thing. So far as I know neither Miss Peters nor any of her supporters has answered a single one of the charges of distortion and fraud made against it.

Instead it is said that the critics are from the political left, as a few are, or have been identified with the Palestinian cause, as some have. In other words, only politics matters, not facts. That from intellectuals.

The latest criticism is going to be hard to dismiss even on such grounds: a piece by Professor Yehoshua Porath of the Hebrew University, Jerusalem, in the current New York Review of Books. It is devastating on Miss Peters's methods. And it is moving on the courage and loneliness of the early Zionist settlers, surrounded as they were — and as they wrote that they were — by Arabs.

Israelis have not gushed over the book as some Americans have. Perhaps that is because they know the reality of the Palestinians' existence, as great Zionists of the past knew. Perhaps it is because most understand the danger of trying to deny a people identity. As Mr. Porath says, "Neither historiography nor the Zionist cause itself gains anything from mythologizing history."

The New York Times.

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LETTERS TO THE EDITOR

Dismay in South Africa

I am confident that you have the most qualified correspondents reporting to you from South Africa, where I have been living for the past eight years, but I also feel that you do not report enough about the opposition here and all the decent people who watch the situation with great anxiety and dismay. The brain power in this country is to be found in the world of big business and the big corporations. We all hope that the dawn of this new year will bring actions in the right direction.

In Johannesburg, The Star and The Sunday Times are putting up a fight to keep the public informed. They take risks and deserve recognition.

DENISE CRAGGS.
Bryanston, South Africa.

Discrimination Rampant

Barbara Crossette's report "In Asia, Currents of Discrimination Still Run Deep" *(Dec. 31)* contains a poignant remark from "an ethnic Chinese mining official in Kuala Lumpur" who said: "We sort of have to laugh at our prime minister going to Commonwealth meetings to attack South Africa for apartheid." The observation points up the fundamental hypocrisy of much of the West's outcry against South Africa.

Where is all the righteous indignation about the Asian discrimination? In Hong Kong I have seen Indians treated like a lower class, this time by the Chinese. And in Continental Europe today it is Yugoslavs and Turks who are dismissed as a lower breed. The thing is rampant all over, yet Western intellectuals and politicians focus selectively on South Africa.

Perhaps it is not apartheid that they despise but the capitalist system which in this case surrounds South African injustice. Never mind that it is precisely this capitalism that tends to undermine apartheid in the long run. Before that develops, however, the system will be killed in the name of justice, while injustice in other lands goes unprotested — by the Olympic movement, in particular.

TIBOR R. MACHAN.
Lugano, Switzerland.

هكذا من الاصل

South Yemen Says Coup Fails; Ex-Leader, 3 Others Executed

By Mohammed Mokashef
Reuters

ADEN, South Yemen — Security forces foiled an attempt to kill President Ali Nasser Mohammed and seize power, and four of the plotters were executed, the official radio said Monday.

It said the four included Ali Ahmed Nasser Antar, who was vice president of South Yemen until early last year, and Abdul Fattah Ismail, a former president. They were executed after summary trial by a special committee of the ruling Yemen Socialist Party, the radio said.

The radio said that the situation in the capital was calm. It gave no details of how the coup attempt was organized, but said that "imperialist and reactionary circles" were behind it.

The other men executed were Ali Salim al-Biedh, minister of local government, and Ali Shayi Hadi, chairman of an administrative committee of the ruling party.

The radio said that several other people were arrested and would be tried.

South Yemen became independent of Britain in 1967 after a guerrilla war. In 1970 the country took the name of People's Democratic Republic of South Yemen and the government began to forge close ties with the Soviet Union, signing a 20-year friendship treaty with Moscow in 1979.

Mr. Nasser Mohammed and Mr. Ismail were leaders of the National Liberation Front that fought the British. They jointly headed the pro-Soviet wing of the ruling party that executed President Salim Rubayi Ali in June 1978.

Mr. Nasser Mohammed became head of state in 1978, then ceded the presidency to Mr. Ismail. When Mr. Ismail retired for health reasons in 1980, Mr. Nasser Mohammed became president again.

Mr. Ismail had returned last year from a self-imposed exile in Moscow, and diplomats said he was pressing for policy changes.

Last October, Mr. Nasser Mohammed, 49, was re-elected secretary-general of the Yemen Socialist Party in what diplomats said was a political compromise. He was forced to expand the political bureau to include Mr. Ismail and other critics.

Aden was a thriving free port and a large British military base before independence. But stagnation followed the British withdrawal and closure of the Suez Canal after the Arab-Israeli war of 1967.

Growing poverty has caused South Yemen, with its 2.2 million people, to seek financial and technical aid from the East bloc to supplement foreign currency earned by migrant workers abroad.

Moslem Call to Prayer on Loudspeaker Irks Anglican Vicar in Birmingham

The Associated Press

BIRMINGHAM, England — A Moslem muezzin's call to prayer rang out from a minaret Sunday through the streets of Britain's second-largest city, prompting complaints from a Church of England vicar.

Birmingham counts at least 80,000 Asian and Afro-Caribbean immigrants among its million inhabitants, including Moslems from Pakistan and Bangladesh.

The call to prayer at 12:45 P.M. and 3 P.M. marked the start of a monthlong trial in which city environmental health officers will monitor noise from eight loudspeakers atop the 150-foot (45-meter) minaret of the Central Mosque. The muezzin's cries last two to three minutes.

The city council will decide after the trial period whether to give the mosque permission for five broadcasts a day, the first at dawn and the last after dark. The officers said the first test Sunday showed the noise level to be slightly lower than the bells of St. Alban's church about 600 feet away.

But the vicar at St. Alban's, the Reverend David Hutt, contended that the calls to prayer were being held to a reduced noise level until the mosque received permission for five broadcasts. He said the call to prayer would disturb schoolchildren who were trying to study and residents of homes for the elderly.

Abdur Razzaq Mughal, secretary of the Central Mosque, contended that local traffic noise was louder than the call to prayer.

Reuters

Choice Near on Channel Link

Britain's transport minister, Nicholas Ridley, right, meeting France's transport minister, Jean Auroux, in London on Monday for talks on a fixed link across the English Channel. Prime Minister Margaret Thatcher and President François Mitterrand are to announce the winner among four rival projects on Jan. 20, and Mr. Ridley said, "I think so," when asked whether the choice would be made in time. British officials said that further talks might be necessary in order to reach a decision.

Israelis Agree to Arbitration on Dispute With Egypt

(Continued from Page 1)

ism by Egypt with Israel. The timetable was not specified.

It is expected, Israel Radio said, that as part of the package deal Egypt will return its ambassador to Israel. In addition, Egypt is expected to begin encouraging trade with and tourism to Israel.

Third, Israel is insisting that Egypt underline its commitment to those sections of the Camp David accords specifying that the two countries will not engage in hostile propaganda against each other and that neither will support terrorism from within its boundaries.

The Likud ministers insisted on language of this nature because of recent hostile reports in the Egyptian press about Israel and fears that Mr. Mubarak will agree to support the Palestine Liberation Organization as a party to peace talks.

Fourth, Israel Radio said, the agreement has to be viewed as part of a package deal in which all the elements must be implemented.

Even if Cairo accepts all the Israeli conditions, the two countries still will have to decide on an arbitrator and the way in which the dispute will be presented to him. This is a difficult issue that could take months, as would the process of arbitration itself.

When Israel evacuated Sinai in April 1982, it gave back everything but Taba. Israeli officials said that they had found maps proving that in 1906 a British military mapping expedition demarcated the international border between British-controlled Egypt and Turkish-controlled Palestine in a way that placed Taba in Palestine — which later became Israel.

Egypt, basing its claims more on *where the British actually placed* the border markings, says Taba is part of Sinai. For nearly two years, the two countries have been bickering over who is right.

■ Peres Telephones Mubarak

Prime Minister Peres telephoned President Mubarak to tell him of the agreement and, according to Mr. Peres's spokesman, said, "We have passed the main difficulty; now we will continue quickly and in a friendly way," The Associated Press reported from Jerusalem.

Israel Radio said Mr. Mubarak told Mr. Peres that he was satisfied with the agreement. The radio said the two leaders might meet as early as the first week in February.

■ Egypt Calls News Positive

"What we have heard so far from the news media is positive," President Mubarak's chief political adviser, Osama al-Baz, said in Cairo, The New York Times reported. "If this proves to be correct, then the next move would be to discuss the terms of arbitration."

"We have not received formal word from Israel yet but we hope things will move in a positive direction," Mr. al-Baz said as he emerged from a meeting with Mr. Mubarak.

Iran May Have Had Right To Search Cargo Ship Near Gulf, U.S. Concedes

The Associated Press

WASHINGTON — The United States acknowledged Monday that Iran might have acted within its rights in stopping an American cargo ship near the Gulf to determine whether it was carrying arms for Iraq.

A final judgment was withheld until the U.S. ambassador to the United Arab Emirates interviewed the captain of the ship, the President Taylor, and until other facts were assessed, said Bernard Kalb, the State Department spokesman.

The American freighter was intercepted Sunday as it headed for Fujairah, a Gulf of Oman port, and was searched by seven armed Iranian military men for weapons. Finding none, they permitted the ship to proceed.

White House and State Department officials called the interception "a matter of serious concern," but added that there were no injuries or damage to property.

In a statement, Mr. Kalb said that a belligerent nation traditionally has "certain rights" under the rules of naval warfare to find out whether neutral shipping is being used to provide material aid to its enemy.

He said the United States was trying "to determine whether the stop-and-search was appropriate under the circumstances." In the last several months Iran has halted ships from several countries.

Meanwhile, in Manama, Bahrain, diplomatic sources said that U.S. Navy units began escorting American commercial vessels in Gulf sea-lanes after the incident.

And a maritime shipping agent said that "units of the U.S. Navy have been physically shadowing American merchant ships in and near Gulf sea-lanes, protecting them against the eventuality of being harassed by the Iranians."

A U.S. diplomat in Abu Dhabi said the incident involving the President Taylor occurred when "seven armed Iranian soldiers and officers boarded the ship and opened three boxes. The captain was forced to stop his ship for the search after the Iranians threatened to blow it up."

The diplomat said the information was reported by the freighter's captain, Robert Reimann. He said the three boxes contained cotton.

Malcolm Stafford, the general manager of Fujairah National Shipping Co., agents of the ship, said that all aboard were safe.

The vessel, with its crew of 43, was scheduled to leave Tuesday for India, he said. It was the first American vessel boarded by the Iranians.

■ UN Report on Ships

Secretary-General Javier Pérez de Cuéllar reported Monday to the United Nations Security Council that 50 ships had been attacked or detained in the Gulf from mid-February through November of last year as a result of the war, according to United Press International.

His report listed 4 crew members killed, 19 injured and 2 missing. It said there had been one sinking, that of a North Korean tanker Sept. 19 with two crewmen lost.

■ British Ship Intercepted

Iranian commandos boarded and searched a British ship bound for Iraq off Oman on Sunday, the Foreign Office said Monday, according to Reuters.

The Barber Perseus, en route to Kuwait, was stopped 11 miles (18 kilometers) outside Iranian waters. The ship was released after an inspection of its manifest, the Foreign Office said.

War With Soviet Brings Change to the Afghans

(Continued from Page 1)

ernment's efforts to extend its influence into the countryside.

Now, war has uprooted as many as one-third of Afghanistan's people, forcing them to abandon their homes and flee to other parts of the country, or to Pakistan or Iran. Large sections of this insular population have been "instantly urbanized" in crowded refugee camps in Pakistan that hold two million to three million Afghans.

Six years after the Soviet invasion that linked the lives of common Afghans to the forces of world politics, even the illiterate masses appear newly attentive to political questions, both among themselves and internationally.

"Even if they're not used to thinking about politics, people who have suffered such terrible things start to ask why these things happen to them — and so they start to talk about politics," said a young Afghan who is a Moslem fundamentalist.

And whether such men as the hospitable Abdurrahman concede it or not, and many do not, their own authority as the traditional chiefs of this rural society is slowly slipping away into the grasp of men who represent an anomaly in Afghan history: young leaders.

In a country where, for centuries, men have wielded authority because of their age, religious training, wealth or lineage, a new class of leaders is emerging. Largely in their 20s and 30s, these men, who are the field commanders of the resistance, gather followers because they can successfully organize and lead a 20th-century guerrilla jihad against the occupying Soviet Army.

Since early in the war, the young commanders have taken over battlefield authority from the traditional leaders. Now, such commanders are taking on civil authority as well, overseeing rural schools and hospitals and arbitrating local disputes once handled by traditional tribal leaders or landlords.

As it has changed Afghanistan, the war itself has evolved.

When the Soviet Union invaded in December 1979 to supplant Afghanistan's indigenous Communist government, there were widespread predictions that the invaders would quickly crush the disorganized mujahidin. But more than six years later, the combat is more intense and more sophisticated.

Last winter, hospitals in Pakistan for Afghan war casualties remained full, as fighting continued through months that in previous years had provided lulls in combat. Since then, the two sides have fought some of their largest and longest battles of the war. Each has conceded higher casualties in the past year, which has been an unusual admission for the Russians.

In interviews, many mujahidin commanders admitted difficulties in coping with new Soviet tactics, such as the dropping of anti-guerrilla forces by helicopter onto high ground from which they can ambush rebel caravans and attack bases.

The Soviet troops also have increased their subversion. They promote conflict among the many Afghan resistance groups and use Afghan agents to help them find and kill effective resistance commanders.

New weapons, many of which reportedly are supplied by a covert CIA program, are arriving in Afghanistan, although many are lost through corruption along the pipeline.

Despite the changes, the military battle in Afghanistan remains much as it has been reported in recent years by the few Western journalists who have traveled in the country. The mujahidin, fighting with impressive courage and inferior weapons, are deadlocked with the technologically superior Russians.

Although they control as much as 90 percent of Afghanistan, the guerrillas cannot dislodge the Soviet and Afghan government bases in the country's major towns. With their relatively light weapons, the mujahidin can only try to harass such bases and their supply convoys, hoping to raise the human and economic costs of the Soviet occupation.

The mujahidin continue to lack not only heavy weapons, but also effective air defenses. More importantly, in the view of many mujahidin and others, the guerrillas still need even basic training and do not really know how to use some of the weapons being supplied to them.

Increasingly, over the past two years, the Russians have tried to choke off civilian support for the guerrillas simply by emptying the villages of their inhabitants. This has been one of their most brutal campaigns, including the killings of unarmed villagers, the destruction of farms and irrigation canals, and the mining of villages and homes.

In the small part of Afghanistan toured recently, the breadth and the success of this strategy were clear. Local residents in 20 of 32 villages visited said they had been bombed, shelled or attacked by Soviet or Afghan government ground forces. Many pointed out unexploded bombs and destroyed homes.

The other 12 villages, in the Zermat region of Paktia province, were eerily abandoned, with cratered paths, crumbling walls and doors open wide into silent houses. An independent human-rights report covering much of the same territory said that half of 8,000 village houses surveyed had been abandoned.

"The jihad depends on the villagers, so we must keep them on the land," said Amin Wardak, a guerrilla commander in Wardak province. "So we try to provide medical care, we run schools, we try to help the farmers," he said.

Despite efforts like Mr. Wardak's, much of Afghanistan's society of villagers has been transformed into a society of refugees, suddenly thrown into sprawling camps of tents and mud buildings in Pakistan and Iran. Other Afghans have fled their homes for safer parts of the country, notably the Soviet-controlled capital, Kabul.

It is largely among these suddenly urbanized populations that still another battlefield has opened, in classrooms and mosques, for Afghanistan's very culture. In an apparent attempt to mold a loyal pro-Soviet elite to help run the country, the Russians have remodeled the Afghan education system and have taken children to be brought up in the Soviet Union.

The Washington Post

'The jihad depends on the villagers, so we must keep them on the land. So we try to provide medical care, we run schools, we try to help the farmers.'

— Amin Wardak, a guerrilla commander

The Russians also are reinterpreting Afghanistan's Islamic faith; in the past year they have installed government-trained mullahs in many of the mosques under their control.

The Russians govern only a small part of the population, which limits their ability to redesign the country's culture.

But in the cultural battle, the resistance, too, is severely handicapped. Even before the Soviet invasion, Afghanistan, like so many Third World and Islamic countries, was struggling to establish its own national identity. The resistance remains divided on what it means to be an Afghan.

It was, in part, the cultural divide between Afghanistan's tradition-bound countryside and its modernizing elite in Kabul that led to the Soviet intervention.

During the 1960s and 1970s, segments of the educated elite, including the tiny Afghan Communist Party, found their ambitions frustrated by the monopoly on power of the traditional monarchy and grew impatient at the slow pace of its movement toward Western-style modernization.

From 1973 to 1978, successive coups by members of this elite, backed by the army, led to the takeover by a group of home-grown Communists in April 1978. The takeover surprised Moscow, which had been getting along well with the nonaligned government of General Sadar Mohammed Daud. Pro-monarchy traditionalists and Moslem fundamentalists began leading a jihad against Kabul.

The rebellion spread nationwide when the first Communist regime tried to force such radical changes as mandatory classes in Communist doctrine, compulsory schooling for girls and an end to the "bride price" on young women in the nation's villages. By Christmas 1979, with the first Afghan Communist ruler assassinated and the resistance growing in strength, the Russians intervened with 100,000 troops and installed Babrak Karmal as president.

"Afghanistan can never go back to the way it was," said Mohammed es'Haq, a political officer of the Jamiat-i Islami party. "The war has broken the two pillars — the bureaucrats and the landlords — which used to run the country" under the monarchy, he said.

"Before the Communists, people didn't care about the government in Kabul," said Abdul Haq, a prominent mujahidin commander in Kabul for the Mowlavi Yunus Khalis faction of the Hezb-i Islami.

"The Afghan people used to accept any regime, as long as it did not make problems for them. But it's not like that now," he said.

TOMORROW: Attack on a Soviet-held town.

DEATH NOTICE

CHARLES RUTHVEN STUART

A memorial service will be held at St. George's Church, 7 rue Auguste Vacquerie, Paris 16e, on Monday, Jan. 20, 1986 at 1.30 p.m.

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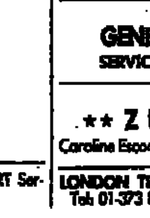

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Dissent Over Shultz Speech Marks Start of PEN Meeting

(Continued from Page 1)

never deny physical access to anyone because of the beliefs he or she may espouse."

The economist John Kenneth Galbraith, who is president of the American Academy and Institute of Arts and Letters, told the writers that President Reagan would call for the abolition of the law in his State of the Union address to Congress on Jan. 28.

Among the foreign writers attending the meeting are Mario Vargas Llosa of Peru, Athol Fugard of South Africa, Clande Simon of France, Amos Oz of Israel, Octavio Paz of Mexico, Günter Grass of West Germany, and Kobo Abe of Japan.

The American participants include Saul Bellow, John Updike, Toni Morrison, Kurt Vonnegut, Allen Ginsberg, and Joyce Carol Oates.

Several writers who are in voluntary or forced exile from their own countries, such as Heberto Padilla of Cuba, Czeslaw Milosz of Poland, and Joseph Brodsky and Vasili Aksyonov of the Soviet Union, are also participating.

It was announced that last week that eight other Soviet writers who were invited, including Yevgeni Yevtushenko and Andrei Voznesensky, would not attend the congress.

Amadou Mahtar M'Bow of Senegal, the director-general of the United Nations Educational, Scientific and Cultural Organization, *is to address the delegates on Tues*day.

The United States and Britain have withdrawn from UNESCO on the grounds that the organization has been hostile toward Western values, and several other Western governments are re-evaluating their membership.

On Wednesday, a panel at the congress will discuss censorship in the United States. A news conference will be held before the discussion on the condition of nearly 500 imprisoned writers around the world, as well as harassment that limits free expression.

Panel discussions also will be held on translation, criticism, children's literature, theater, science fiction, American fiction and poetry, and "Hispanic Literature in the Anglo-American Empire." Readings at several locations in New York will be open to the public.

The congress is being funded by funds raised by the 2,000 members of PEN's American branch.

Cronkite Applies to Be First Newsman in Space

Reuters

NEW YORK — Walter Cronkite, the television journalist, has applied to be the first correspondent to travel into space aboard a space shuttle, Newsweek magazine reported Monday.

The National Aeronautics and Space Administration said last year that it planned to send an American journalist into space this fall. NASA officials said that Mr. Cronkite, 69, would be a strong candidate, adding that there was no age limit for the flight.

'Eliminate' Qadhafi? It's 'Tempting' But Sanctions Will Do, Says Meese

United Press International

WASHINGTON — Attorney General Edwin Meese 3d says it is "tempting" to think about eliminating Colonel Moamer Qadhafi but that the administration has a proper deterrent to terrorism in imposing economic sanctions on Libya.

Mr. Meese also urged Congress to enact legislation that would provide for the death penalty for acts of terrorism against U.S. citizens.

The attorney general said on television Sunday that President Ronald Reagan's policy toward terrorism — the use of economic sanctions and international law — is proper and that U.S. officials are "doing the best we can" to counter and prevent terrorist acts.

He dismissed suggestions that laws be changed to allow the United States to engage in the assassination of terrorist leaders.

But when asked to comment on a suggestion last week from Senator Howard M. Metzenbaum, a Democrat of Ohio, that perhaps Colonel Qadhafi should be "eliminated," Mr. Meese smiled and answered, "Well, *you're tempting me there.*"

"But I think the president said it all," Mr. Meese continued. "He said that terrorism as a response to terrorism is not the answer."

Oil-Price Slump Is Squeezing Libya

(Continued from Page 1)

faces involves the drop in its reserves of hard foreign currency, foreign economists say.

Western diplomats in Tripoli estimate the country's currency reserves at no more than $2.7 billion, down from $3.6 billion at the end of 1984. Because the government has decided that $2.5 billion is the minimum reserve currency level it will tolerate, Libya has slashed spending and imports, which totaled $5 billion in 1985.

Western business executives in Tripoli say that President Ronald Reagan's economic sanctions could hurt the Libyan economy, at least temporarily, because many critical functions in the oil sector are now being performed by Americans, U.S. companies or European subsidiaries of American companies.

"The Americans are heavily involved in maintaining the production side of oil," said one Western businessman.

The drop in foreign currency reserves has also prompted Libya to expel thousands of foreign workers, among them about 40,000 Tunisians. Their departure last August crippled much of the consumer sector of the economy. The Tunisians ran restaurants and hotels, and were Tripoli's barbers and bread makers, as well as foreign embassy drivers and translators.

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(Continued From Back Page)

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In the face of increased competition from both new and established publications, the International Herald Tribune can report all-time highs in *both* key indicators of a newspaper's health: circulation and advertising.

Circulation continued to grow at an unprecedented rate, and, for the full year 1985, reached 168,000. This represents an increase of 29% during the five-year period 1981-85.

Circulation gains have been both steady and evenly distributed between our European and Asian editions. In Europe, recent growth has been particularly significant: since early 1983, when the Wall Street Journal Europe entered the market, the IHT has *added* 15,300 copies, to reach a European circulation of 128,300.

Advertising Revenue grew to $ 32,625,000 in 1985 – a 34% increase over 1984. Total advertising *space* was up 1121 columns or 14%, with growth being shown in all major classifications, especially in the IHT's highly visible 4-color, which was up by 68%.

Results for the IHT Pacific edition (advertising appearing in the Hong Kong and Singapore press runs only) were even more dramatic: up 560 columns, or 48% – the fastest growth of any international publication in the Pacific area.

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Financial +	114 columns
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Tobacco/Beverages +	149 columns
Classified +	119 columns
Supplements +	103 columns
4-color (incl. above) +	301 columns

This comes at a time when advertising investment in international media has shown only modest growth. Rome Report figures for the first nine months 1984/85 show an overall increase of 8% in the Atlantic area and 11% in the Pacific. Thus, relative to competing publications, the IHT's 1985 performance is particularly satisfying.

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If you would like to receive further information on the global newspaper, please contact your IHT office at the address below:

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ARTS / LEISURE

Wraps to Riches: Designing 'Princess'

International Herald Tribune

PARIS — Diane Von Furstenberg is a fashion gypsy. In the last 13 years, she has been in and out of fashion deals, in and out of fashion trends, and in and out of fashion capitals, all the while following a strange but singularly successful course.

Born in Belgium of a prosperous Jewish family, Diane Halfin, 39, left for the United States at the age of 22 looking for the American

HEBE DORSEY

dream. Instead, she found a rich and handsome German prince, Egon Von Furstenberg. After a marriage that had both their families up in arms (his father disapproved of the match, her mother had spent 14 months at Auschwitz and Diane was pregnant) the young couple moved on a fast, *jeunesse dorée* track, spending their nights at Studio 54 and filling endless gossip columns.

Then, 10 years ago, without any fashion training or designing experience, Von Furstenberg exploded on the fashion scene with a simple, sexy jersey wraparound dress that made her a millionaire virtually overnight.

She started her project in 1972 with a $10,000 pawnshop loan on one of her diamond rings and a shrewd marketing idea — using her glamorous name — Princess Von Furstenberg — and her looks — sexy and sultry — to sell to the masses. It took three years to make it, and Von Furstenberg had to sell 25 percent of her business to a salesman "because I couldn't afford to pay him." But by 1976, the "wrap" as it was dubbed, became a fashion phenomenon, grossing $64 million on sales of 25,000 dresses a week. Newsweek ran a cover story. From flashy socialite, Von Furstenberg turned into an astute businesswoman, adding to her marketing technique boundless energy and shameless self-promotion (she *once rode an elephant in a shopping* mall parking lot to push her line). As Diana Vreeland put it at the time: "No designing talent, but what drive!"

To her credit, Von Furstenberg also had great fashion instinct. At a time when women went around mostly in pants, she came out with a sexy, clingy and inexpensive dress (under $100) that turned every other secretary into a would-be Marilyn Monroe.

Then, in 1977, the market became saturated, and Von Furstenberg found herself with $4 million worth of dresses that would not sell. Her dress business collapsed. After reorganization (including selling her fragrance and cosmetics company to the Beecham Group,) she is today at the head of a $150-million empire that includes luggage, eyeglasses, stationery, moderately priced sportswear and a lucrative contract with Sears Roebuck and Co.

Von Furstenberg "makes things for other women."

Last year, a quieter, unusually subdued Von Furstenberg made a fashion comeback with an expensive, $700-a-dress couture collection sold in a stunning, Post-Modern boutique on Fifth Avenue designed by Michael Graves. Then, when one thought she had finally settled down, Von Furstenberg decided last month to move to Paris. The reasons are partly personal (now a divorcée with two children, she fell in love with a French writer) but she claims there is more to it than that.

"Right now, I need Europe for inspiration," she said. "This is a major turning point for me. I have created a label which has enormous recognition at the mass level, and I have about 12 or 15 major contracts in America. I have a design studio in New York, but I am the one who must generate excitement and give my assistants new ideas, fresh colors. In New York, I had reached the point when I had no more ideas. All I saw was copies and copies of copies.

"Europe is very stimulating," she added. "When I left, I was very young, only 22. I thought Europe was over. Now I think Europe is so important culturally. Here, I can go to museums, spend days looking at archives and I get ideas for fabrics, jewelry, accessories. Right now, I'm spending a lot of time at the Arts Décoratifs museum and at the Bibliothèque Nationale, which is very helpful for my next, 1987 home furnishing presentation for Sears."

Von Furstenberg is capitalizing on her American business experience. "As I was a European in America, now I am a European with an American experience and career. I've made it in America. Now, I'd like to make it in Europe, in a smaller, different and more mature way. I like challenge. I find it more exciting than just lending your name to this or that product."

Shapes should not be too complicated, Von Furstenberg feels. "I love textiles and colors. That's how you recognize my dresses. Colors are very important to me. I was the first to make purple suitcases. My manufacturer thought I was nuts, until they became a best seller."

Von Furstenberg has a designing studio in Milan and is looking for an Italian manufacturer, hoping to open boutiques in Europe like Ralph Lauren, whom she admires.

Having made it with the wrap, which was so basically sexy, Von Furstenberg feels it is time for a change. "The word sexy is going to change," she said. "Somehow, women will have to be mysterious again, to reconquer men."

In the end, "I am a woman who makes things for other women. I think I know what I am going to want," she said. "I follow my instincts, and that is my best and worst trait."

'Save Our Bones' Campaign Leads to Major U. S. Museum

The Associated Press

ALBUQUERQUE, New Mexico — "Keep our bones at home" was the slogan used to raise the funds for The New Mexico Museum of Natural History, the first full-scale natural history museum in the United States built this century.

According to John Irick, a former state senator who sponsored the bill setting up the museum, a display of ancient bones and artifacts in the state legislature's rotunda in 1980 was an instant hit with schoolchildren, who became a major force in lobbying for the project.

The museum, which opened Saturday in a stucco building near the historic site of the original Albuquerque, is the first of its kind since the Denver Museum of Natural History was created in 1895, officials said.

"We need to preserve the ancient life forms and fossils that are part of the history of the state of New Mexico. They've been going to museums all over the world for the past 100 years," Irick said.

Exhibits include a reconstructed cave based on the state's famous Carlsbad Caverns, and a volcano stimulated by using fiber optics. There are skeletons of dinosaurs, a mammoth, dire wolves and a saber-tooth cat.

Other displays include "Origins," from the beginning of time through the period in which plant and animal life emerged onto land; minerals of the Southwest and an 80-foot (24-meter) relief model of the Rio Grande; and an area in which visitors can see curators working on casting bones.

France: A Seat on the Jazz Bandwagon

By Michael Zwerin
International Herald Tribune

PARIS — At what he called "my first jazz press conference," France's culture minister, Jack Lang, announced last week the formation of a national jazz orchestra. He said he would attend the inaugural concert of the Orchestre National de Jazz on Feb. 3 at the Théâtre des Champs-Elysées. The program will feature works by orchestra members and by guest composers, Gil Evans and Martial Solal, and, as soloists, Michel Portal and Niels-Henning Orsted-Pedersen.

"We wanted to avoid the institutionalization of jazz," Lang said. "We have tried to build a system of constant change within a permanent structure. I believe this is a unique experience — at least I know of no other such jazz orchestra. So it involves a certain risk. It's an adventure."

Lang ended by congratulating the orchestra's director, François Jeanneau, on his definition of jazz as "wild music with modern comfort." Jeanneau quietly corrected him: "We should both congratulate Claude Debussy." Then, as a combo of orchestra members played "Days of Wine and Roses," the guests sipped champagne in the *ministry's rococo reception room.*

Cut to Jeanneau on a rehearsal lunch break in a loud and garish bistro just behind the Gare d'Austerlitz, near the orchestra's studio. A composer, arranger and reedman, Jeanneau, at 50, is a respected professional who can work in many styles and has directed a big band of his own, but until now has been known primarily in France. He is not yet comfortable being interviewed and has trouble tossing off hot quotes: "Somebody, I can't remember who, said that jazz is either 'the most popular intellectual music' or 'the most intellectual popular music.' I can't remember which."

Christian Rose

Bandleader Jeanneau: "Congratulate Claude Debussy."

The 20-piece orchestra, which officially came to life on Jan. 1, has a total budget for 1986 of 8 million francs (about $1 million). The majority of the musicians chosen by Jeanneau are in their 20s and 30s; all French, except for the Afro-American drummer, Aaron Scott, each will receive a salary of 14,000 francs a month. They rehearse four days a week, six hours a day. It is considered a full-time job and conflicting work must be cancelled. The orchestra will play pieces by its members and guests, soloists will be invited to perform and there will be tributes to heroes like John Coltrane.

As technical adviser to Maurice Fleuret, director of music for the Culture Ministry, Jean Carabalona considers himself the liaison between the ministry and the musicians. A trumpet player, Carabalona is in charge of all the music that "used to be considered not 'serious,'" as he describes it. "That attitude was put to rest in February 1982, when a committee of experts — musicians, journalists and teachers — was set up to study the problem of how to subsidize jazz. It is now "serious" music, subsidized like any number of symphony orchestras around the world.

"The total jazz budget went from 200,000 francs in 1981 to 3 million in 1982. It is estimated at 13 million francs for 1986. Of that, 4 million goes to the orchestra. The rest goes to help clubs like the New Morning, festivals such as Nimes and special events like the recent Salon de Jazz in La Défense. Remember, that's only half the orchestra's budget. We wanted to avoid bureaucratization of this music, which after all personifies liberty. So we found a compromise, I think a good one. I do not want to defend 'miserablism,' but I think it's important that this orchestra doesn't go to sleep and say, 'What the heck, we're subsidized anyway.' Something like that happened in Sweden."

The orchestra must finance the other half of its budget, Carabalona said. "Some other sponsors have been found — the EDF, the French electricity company, has donated 400,000 francs — and there are some other smaller private grants. And if they cannot get about 60 concerts a year, they'll be in the red. The director changes every year, and he or she has total responsibility for the personnel and the music."

Although France recognized America's native music as an art form before the United States did, it has had almost no big band tradition. Partly this is due to the individualistic French character, but Carabalona explained: "It also has to do with the political and social role of jazz in this country. It was looked at as the music of revolt, of *revolution, as the cry of the individual.* On the other hand, big bands represented American technology. They were just big machines. I'm not defending that point of view, just explaining it, and anyway we have evolved. There are many good French big bands now."

Unfortunately, many of them may be put out of business by the Orchestre National. Few festivals can afford to hire two big bands.

"We do not want to be a steamroller destroying everything around us," Jeanneau said. "One way to handle this is to keep our price up. This orchestra will not be cheap. And I tried not to draft too many people from any one existing orchestra. But I wanted a group of hot, young, hungry musicians and I think I got them."

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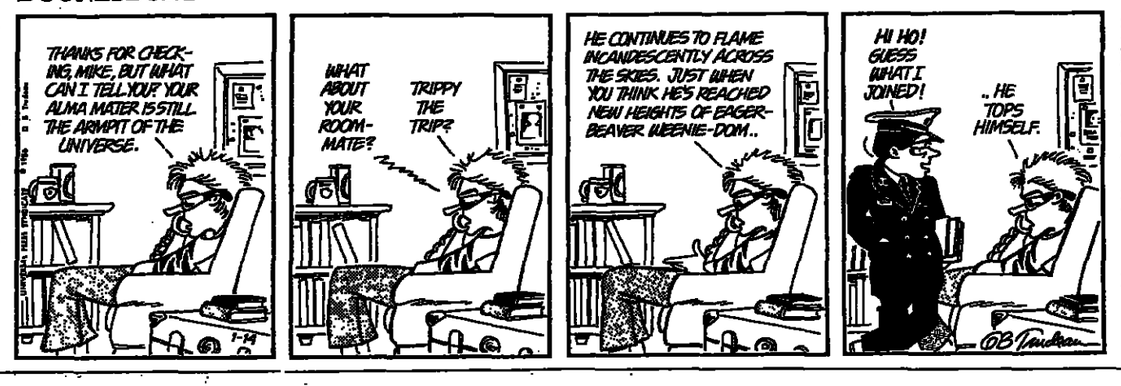

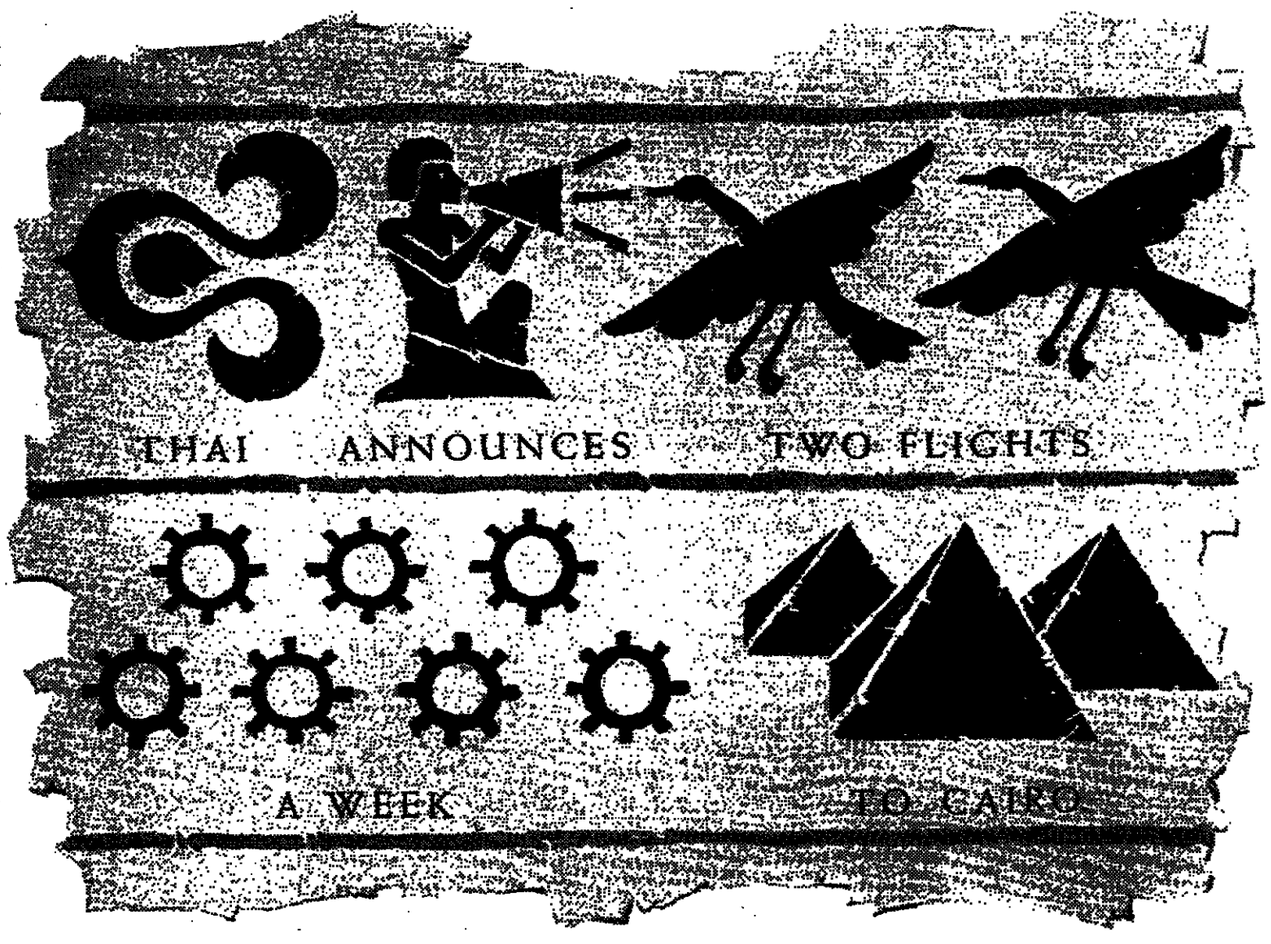

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NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Texaco	13751	31¼	30⅝	31	— ½
IntHarv	13528	9¼	8⅝	9	+ ⅛
AT&T	12329	24⅞	23¾	24⅞	+ ⅜
EsKod s	12276	48¼	45⅞	48	+1⅜
USSteel	11834	25⅝	25	25⅝	— ¼
Comdis	11765	19⅞	18	18⅞	—1½
IBM	11427	149⅝	147⅝	149	+ ½
FedNM	10872	24⅛	23	23⅝	+ ⅜
Schlmb	10699	36⅞	35¼	35¼	—1½
GTE	9923	48⅛	47⅝	47½	
MerLyn	9895	37⅛	35⅞	36⅝	— ⅜
Boeing s	9416	49	47¾	48½	+ ½
DartKr s	9080	48⅝	39⅝	40¼	+ ¼
TexOGs	8995	15⅝	14⅞	15⅛	— ⅛
AetnLf	8445	53⅝	52¾	53¼	+ ½

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	83.95	—0.17
Utilities	82.34	—0.16
Industrials	85.55	—0.17

Dow Jones Averages

	Open	High	Low	Close	Ch'ng
Indus	1511.93	1526.83	1502.29	1520.53	+7.00
Trans	685.78	698.12	681.39	692.31	+5.34
Util	172.80	173.73	170.60	172.39	—0.36
Comp	602.21	609.81	597.79	605.50	+2.67

NYSE Diaries

	Close	Prev.
Advanced	908	880
Declined	694	808
Unchanged	431	432
Total Issues	2033	2040
New Highs	57	48
New Lows	7	11
Volume up	57,684,960	
Volume down	40,195,198	

NYSE Index

	High	Low	Close	Ch'ge
Composite	119.19	118.62	119.19	+0.37
Industrials	136.30	135.58	136.30	+0.48
Transp.	112.49	111.55	112.45	+0.77
Utilities	61.87	61.43	61.87	+0.02
Finance	130.58	130.06	130.45	+0.49

Odd-Lot Trading In N.Y.

	Buy	Sales	*Sh'rt
Jan. 10	216,295	524,919	12,278
Jan. 9	247,744	798,601	12,006
Jan. 8	274,718	667,432	16,827
Jan. 7	299,584	632,105	2,508
Jan. 6	234,076	568,248	839

*Included in the sales figures

Monday's NYSE Closing

Vol. at 4 P.M.	108,680,000
Prev. 4 P.M. vol.	122,780,000
Prev consolidated close	146,114,540

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Diaries

	Close	Prev.
Advanced	302	311
Declined	260	235
Unchanged	246	250
Total Issues	808	796
New Highs	18	17
New Lows	3	4
Volume up	3,628,475	
Volume down	2,470,498	

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	229.50	227.95	229.36	+0.90
Transp.	186.02	183.73	185.65	+1.40
Utilities	90.67	90.18	90.59	—0.03
Finance	25.60	25.41	25.55	+0.14
Composite	206.83	205.52	206.72	+0.76

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	324.17	+0.85	325.99	255.44
Industrials	327.53	—0.27	330.49	271.62
Finance	424.48	+0.82	427.27	303.44
Insurance	382.36	+0.32	384.58	282.86
Utilities	298.84	+0.84	298.25	249.03
Banks	349.41	+1.11	348.93	234.27
Transp.	289.79	—0.59	292.26	247.95

AMEX Sales

4 P.M. volume	8,250,000
Prev. 4 P.M. volume	9,470,000
Prev. cons. volume	9,470,000

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
BAT In	7024	4⅝	4½	4⅝	+ ⅛
DomeP	3951	2⅞	2¾	2⅞	
PlanrSy	3154	3⅛	3	3	
OzarkH	3140	13⅛	11⅝	12⅞	+1⅜
Wickes	3093	4⅝	4½	4½	— ⅛
TexAir	2479	15	14⅜	15	
ChMA s	2247	19¼	18½	18⅝	— ⅜
EchoB g	2114	14⅞	14½	14½	— ½
WangB	1932	19	18⅝	18⅝	+ ⅛
TchSym	1357	13⅛	12⅞	12⅞	— ⅛
TolPt wt	1239	3⅛	2⅞	2⅞	+ ⅛
MchGn	1179	4	3⅞	4	+ ⅛
Astrotc	1083	1⅛	1	1⅛	
Pentron	1047	3⅛	2⅞	2⅞	— ⅛
GrtLkC	794	37	36⅛	36⅞	+ ¼

AMEX Stock Index

High	Low	Close	Ch'ge
244.49	243.41	244.32	+0.26

NYSE Makes Modest Rebound

United Press International

NEW YORK — *Prices on the New York* Stock Exchange rebounded Monday after three consecutive sessions of losses. Volume was moderate.

Nervousness after last week's losses curbed potential advances for most of the session, but a late buying spree pulled the market more solidly *into plus territory*.

The Dow Jones industrial average rose 7.00 to 1520.53. Broader market indicators also climbed. The New York Stock Exchange index rose 0.37 to 119.19. Standard & Poor's 500-stock index added 0.76 to 206.72. The price of an average share rose 12 cents.

Advances outpaced declines slightly among the 2,017 issues traded. Volume amounted to 108.68 million shares compared with 122.78 million Friday.

Analysts said that the market needed time to consolidate its recent advances but that afterward, stock prices would be likely to move higher.

"Stock prices may continue to be subject to alternating bouts of strength and weakness for a while longer as investors adjust to the powerful upsurge that took place last year," said Anne Gregory, publisher of the Merrill Lynch Market Letter.

She said that new investments from Individual Retirement Accounts could help push stock prices higher and that investors could focus more on stocks than on fixed-income securities if interest rates hold at current levels.

Many analysts believe the secondary stocks that have lagged behind blue-chip issues will attract more attention.

Robert Kahan, head of equity trading at Montgomery Securities in Los Angeles, said after "a few sessions of backing and filling," the market would resume its upward course. He said the market would attract strong buying if the Dow dropped as low as 1,470.

Texaco was the most active NYSE-listed issue, falling ½ to 31. Pennzoil lost 2 to 69¼. Analysts said Texaco's bargaining position was strengthened Friday when a federal judge ruled that the company did not have to post a $12-billion bond to appeal an $11.53-billion damage award to Pennzoil related to Texaco's purchase of Getty Oil.

AT&T was third, adding ¼ to 25⅜.

Among actively traded blue-chips, Eastman Kodak jumped 1½ to 48⅛, U.S. Steel lost ¼ to 25⅜, IBM climbed ½ to 149, Exxon added ⅜ to 54⅜ and Allied-Signal eased ½ to 45½. General Motors added ⅜ to 70⅜.

Schlumberger dropped 1½ to 35¼. Traders said Salomon Brothers' oil-services analyst told his firms clients that Schlumberger's fourth-quarter earnings might be disappointing.

Some food stocks were gainers. Wrigley added 2¼ to 85¼ and Borden rose 1⅜ to 49¼. Campbell Soup added ½ to 46⅜.

Among pharmaceutical issues, Squibb rose 1⅞ to 83⅛ and Upjohn added 1½ to 127½.

A stream of earnings reports from money center banks began. Chase Manhattan Bank added ¾ to 73¾ after reporting 1985 earnings of $12.77 a share compared with $9.01 in 1985. J.P. Morgan rose ⅜ to 63⅜ after reporting fourth-quarter earnings of $1.90 a share, compared with $1.90 a year earlier.

(Continued on Page 10)

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FUTURES AND OPTIONS

Coffee Exporters Worry In Spite of Price Increase

By ROGER MAY

Reuters

ABIDJAN, Ivory Coast — Coffee exporters' expectations of a cash bonanza following the recent surge of world prices are tempered by fears for the future of the international coffee pact and worries that the market could collapse in the longer term.

Most delegates to a meeting here last week of the 25-member Inter-African Coffee Organization said they did not believe the rise in the world coffee price, currently at its highest for more than eight years, had ended.

But the organization's chairman, Denis Bra Kanon, said at a news conference that while firm prices would boost revenues of many poor African countries, exporters' long-term interests would not be served if the international coffee agreement collapsed.

The rise has been fueled by speculators purchasing contracts on futures markets.

The current agreement, which dates from 1983, has been one of the more successful international commodity pacts. Before the recent rise, it had generally managed to keep world prices within or near its target range of 120 cents to 140 cents a pound.

The pact, to which most of the world's major producers and consumers belong, functions by controlling coffee bean supplies through a system of export quotas.

But a severe drought in Brazil, the world's leading producer, has sent prices soaring. The 15-day average price calculated by the London-based International Coffee Organization, which administers the pact, was quoted on Friday at 207 cents. (Coffee for March delivery fell to £2,616 a metric ton Monday on the London Commodity Exchange, down £272 on Friday's close.) Under the organization's rules, quotas are due to be suspended entirely on Feb. 17.

Brazil has estimated its 1986/87 crop, for which harvesting begins in May, at 16.7 million 132-pound (60-kilogram) bags, down from 29.6 million for the previous season.

THE INEVITABLE price impact of a lower Brazilian forecast has been fueled by speculators, who traditionally prefer a rising market, purchasing large numbers of contracts on international futures markets.

The prospect of a further increase guarantees big returns in the weeks ahead for African exporters, notably those with large stocks, and for Colombia, the world's No. 2 producer.

"Whoever has stocks of coffee right now is sitting on a gold mine," one delegate said.

Kenya, which has sizable stocks of good quality arabica beans, the type of coffee worst hit by the Brazilian drought, is especially likely to benefit.

Kenya's agriculture minister, William Odongo Omano, was quoted in a Kenyan newspaper on Saturday as saying that his country would maximize coffee returns this month and next and would no longer distinguish between International Coffee Organization quota and nonquota markets.

Sales of high priced coffee will reduce storage costs and provide cash to enable some of the world's poorest countries to finance development plans, analysts said.

Nearly all the export revenues of the central African countries of Burundi, Rwanda and Uganda come from coffee, and a firm coffee market will help to offset depressed prices for most other Third World commodities.

But this rosy outlook is soured by memories of the way coffee prices soared in 1976/77 because of frost in Brazil, only to slump dramatically in the following few years.

Mr. Bra Kanon said volatile prices were not in the interest of either exporters or importers. He said the inter-African organiza tion recommended that the International Coffee Organization's market-control measures, such as provision of certificates of origin, stay in place after the suspension of quotas to allow the

(Continued on Page 13, Col. 2)

Currency Rates

Cross Rates *Jan. 13*

	$	£	D.M.	F.F.	IT.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.7875	4.002	112.61 *	36.725 *	8.1652 *	—	5.51 *	132.80 *	137.48 y
Brussels(a)	58.595	72.55	20.43	6.6405	2.9945 *	18.143	—	24.095	24.52 *
Frankfurt	2.4767	3.557	—	32.60 *	1.4645 x	88.80 *	4.895 *	117.92 *	1.2195 *
London (b)	1.4423	—	3.561	10.90	2,423.50	4.0043	72.725	3.023	292.25
Milan	1,680.75	2,422.40	681.80	222.39	—	605.79	33.369	803.95	8.323
New York(c)	—	0.692 #	2.4645	7.5535	1,679.80	2.7735	50.35	2.09	202.75
Paris	7.5955	10.908	3.0672	—	4.4985 x	2.7243	15.017 *	3.6163	3.7428 *
Tokyo	202.65	294.04	82.12	26.80	12.06 *	72.96	402.24 *	96.84	—
Zurich	2.103	3.022	84.665 *	27.66 *	0.1241 *	75.135 *	4.1459 *	—	1.0363 *
1 ECU	0.8822	0.6139	2.1855	6.7031	1,489.18	2.4602	44.6489	1.852	178.913
1 SDR	1.09207	0.76	2.7047	N.Q.	N.Q.	3.0442	55.2533	2.2934	221.308

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (#) To buy one pound: $U.S.1.445

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	5.40	Mex. peso	410.00	Soviet ruble	0.7585
Austral. $	1.4472	Greek drac.	147.90	Norw. krone	7.618	Span. peseta	151.60
Austr. schil.	17.50	Hong Kong $	7.8045	Phil. peso	17.80	Swed. krona	7.65
Belg. fin. fr.	30.72	Indian rupee	12.1212	Port. escudo	158.80	Taiwan $	39.69
Brazil cruz.	10,910.00	Indo. rupiah	1,125.00	Saudi riyal	3.65	Thai baht	26.615
Canadian $	1.3967	Irish £	0.819	Sing. $	2.1263	Turkish lira	575.75
Chinese yuan	3.2015	Israeli shek.	1,495	S. Afr. rand	2.439	UAE dirham	3.6725
Danish krone	9.0575	Kuwaiti dinar	0.2898	S. Kor. won	891.64	Venez. boliv.	15.10
Egypt. pound	1.33	Malay. ring.	2.443				

£ Sterling: 1.1669 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *Jan. 13*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	8 1/8-8 1/4	4 5/8-4 3/4	3 7/8-4	12 5/8-12 3/4	9 7/8-10 1/4	9 [illegible]-9 [illegible]	8
2 months	8 1/8-8 1/4	4 5/8-4 3/4	3 15/16-4 1/16	12 3/4-12 7/8	10 3/4-11 1/8	9 [illegible]-9 [illegible]	8 1/8
3 months	8 1/8-8 1/4	4 5/8-4 3/4	4-4 1/8	12 3/4-12 7/8	12 1/8-12 1/2	9 [illegible]-9 [illegible]	8 1/4
6 months	8 1/4-8 3/8	4 5/8-4 3/4	4-4 1/8	12 5/8-12 3/4	12-12 3/8	9 [illegible]-9 [illegible]	8 1/4
1 year	8 3/8-8 1/2	4 5/8-4 3/4	4 1/8-4 1/4	12 [illegible]-12 [illegible]	11 1/4-11 5/8	9 [illegible]-9 [illegible]	8 1/4

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *Jan. 13*

	Close	Prev.
United States		
Discount Rate	7 1/2	7 1/2
Federal Funds	7 3/4	7 13/16
Prime Rate	9 1/2	9 1/2
Broker Loan Rate	9	9
Com Paper 30-179 days	7.80	7.70
3-month Treasury Bills	7.23	7.20
6-month Treasury Bills	7.29	7.24
CD's 30-59 days	7.40	7.40
CD's 60-89 days	7.40	7.40
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	4.65	4.65
One Month Interbank	4.80	4.80
3-month Interbank	4.75	4.75
6-month Interbank	N.A.	4.75
France		
Intervention Rate	8 3/4	8 3/4
Call Money	8 7/8	8 3/4
One-month Interbank	8 7/8	8 7/8
3-month Interbank	8 15/16	8 15/16
6-month Interbank	9	9
Britain		
Bank Base Rate	12 1/2	12 1/2
Call Money	14	11 1/4
91-day Treasury Bill	12 1/4	12 5/16
3-month Interbank	12 9/16	12 5/16
Japan		
Discount Rate	5	5
Call Money	6 7/8	6 7/8
60-day Interbank	7 1/8	7 1/8

Sources: Reuters, Commerzbank, Crédit Lyonnais, Bank of Tokyo.

Asian Dollar Deposits *Jan. 13*

1 month	8 1/16 - 8 3/16
2 months	8 1/16 - 8 3/16
3 months	8 1/16 - 8 3/16
6 months	8 3/16 - 8 5/16
1 year	8 3/8 - 8 1/2

Source: Reuters.

U.S. Money Market Funds *Jan. 13*

Merrill Lynch Ready Assets
30 day average yield: 7.49

Telerate Interest Rate Index: 7.883

Source: Merrill Lynch, Telerate.

Gold

Jan. 13

	A.M.	P.M.	Ch'ge
Hong Kong	340.50	339.50	+0.40
Luxembourg	340.55	—	+0.75
Paris (12.5 kilo)	341.57	341.93	+2.53
Zurich	339.65	339.60	−0.45
London	340.75	339.40	−1.05
New York	—	340.80	−1.70

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.

Source: Reuters.

Profits Rise at 2 Banks

Chase, Morgan Cite Repayment

United Press International

NEW YORK — J.P. Morgan & Co. said Monday that earnings rose 3.9 percent in the final quarter of 1985, reflecting a tripling of its loan-loss provision, while Chase Manhattan Corp. said final-quarter profits were up 25 percent.

Chase, holding company for the third-largest U.S. bank, recorded a 39-percent gain for the year, despite large domestic loan charge-offs. Morgan, whose principal subsidiary Morgan Guaranty Trust Co. is the fifth-largest U.S. bank, said that earnings were up 31.2 percent for all of 1985.

Both banks benefited from Argentina's payment of all overdue interest in the final quarter. Argentina paid the arrears with part of an $800-million disbursement it received on a $4.2-billion loan.

Morgan's flat $1.09 per share fourth-quarter earnings came despite the removal of $366 million of its public-sector Argentine loans from non-accrual status.

In 1985, Morgan earned $705.4 million, or $7.81 a share, up from $537.6 million, or $6.07 a share, in 1984. The 1985 report partly reflected a $39.4-million reduction in deferred income taxes in the third quarter.

Chase's fourth-quarter earnings amounted to $151 million, or $3.48 a share, up from $120 million, or $2.56 a share, in the like period of 1984. Chase's profits for the year came to $565 million, or $12.77 a share, up from $406 million, or $9.01 a share, in 1984.

Argentina's payment enabled Morgan to return $366 million of Argentine loans to accrual status and to add the interest income to earnings.

Nevertheless, Morgan increased its fourth-quarter loan-loss provision to $90 million, from $30 million in the comparable 1984 quarter. This provision is directly deducted from earnings. The provision for all of 1985 was $335 million, up from $150 million in 1984.

Chase said that approximately $380 million of Argentine loans were returned to accrual status. But Chase has roughly $200 million in private sector loans to Venezuelan borrowers in its non-accrual portfolio.

Meanwhile, National Westminster Bank USA, a subsidiary of the British bank, reported record 1985 earnings of $54.6 million, up 36 percent from $40.1 million in 1984. In the final quarter net income was $14.3 million, up 21 percent from $11.9 million in the comparable 1984 quarter.

And Irving Bank Corp. said fourth-quarter profit rose 33 percent to $28.2 million, or $1.49 a share, from $21.1 million, or $1.08 a share. For the year, the bank holding company reported an 18-percent increase in net profit to $116 million, or $6.14 a share, from $98.1 million, or $5.11 a share.

Singapore Urged To Cut Strength Of Its Currency

Reuters

SINGAPORE — Singapore should moderate the strength of its dollar to improve trade growth, a report to the government said on Monday.

The report is one of eight being compiled for an economic committee formed to find ways to improve the economy.

The subcommittee on international trade said that Singapore will achieve exports of only about 40 billion Singapore dollars (about $18.89 billion) in calendar 1990, compared with 66.10 billion targeted for the year in its ten-year development plan ending 1990.

"Relative to the U.S. dollar, the currencies of the newly industrialized countries have depreciated significantly while the Singapore dollar has generally appreciated between 1979 and 1984," the report said.

The subcommitee advised the government to monitor the strength of the local dollar against currencies of trade competitors. It also suggested forming an export-import bank to provide long- and medium-term financing for exporters, advocated lower corporate taxes, higher business allowances and a shift to new products and trading areas.

Legal Gamble by Texaco Pays Off

Lawyer Is Company's First Hero in Pennzoil Battle

By Richard W. Stevenson

New York Times Service

LOS ANGELES — On the evening of Dec. 9, Texaco Inc.'s top executives, in a crisis meeting at the oil company's branch office in Houston, made a risky decision: To attempt to bring a portion of their legal battle with Pennzoil Co. before a federal court.

Last Friday that gamble paid off. While waiting in a conference room at the U.S. District courthouse in White Plains, New York, Texaco's lead counsel, David Boies, received word from Judge Charles L. Brieant that Texaco had won a major legal victory that changes the complexion of the bitter feud.

The story of how the federal action was won by Texaco is the latest chapter in one of the most extraordinary corporate battles ever. And it has provided Texaco with its first hero of the case in Mr. Boies, a 44-year-old lawyer who crafted and executed with his law firm colleagues the strategy that may prove to have saved the fifth-largest U.S. corporation from bankruptcy.

For Mr. Boies, it was another in a string of highly publicized victories. Mr. Boies is a partner at the law firm of Cravath, Swaine & Moore and served as chief counsel to the Senate Judiciary Committee under Senator Edward M. Kennedy, a Massachusetts Democrat, in the late 1970s and on the Senate Judiciary Subcommittee on Antitrust and Monopoly.

He has in recent years successfully defended IBM in a federal antitrust case, and CBS Inc. against a libel suit brought by General William C. Westmoreland, who commanded U.S. forces in Vietnam, and against a hostile takeover bid by Ted Turner, the Atlanta-based communications entrepreneur.

For Texaco, the federal decision was a new lease on life. Judge Brieant's ruling barred Pennzoil, pending the outcome of an appeal, from taking any action to collect the damages of $10.53 billion plus interest awarded to it by a Texas state court jury in November. The jury in Texas had found that Texaco improperly interfered with Pennzoil's agreement to buy part of Getty Oil Co. in 1984. Texaco subsequently acquired all of Getty for $10.1 billion.

UPI

David Boies

Judge Brieant's ruling means that Texaco can pursue an appeal in Texas without having to post a bond of $12 billion, a requirement the company said would have driven it into liquidation or to seek protection from its creditors under federal bankruptcy laws before the appeal could go forward.

Pennzoil later asked the U.S. Court of Appeals for the 2d Circuit in New York to overturn Judge Brieant's ruling, and a hearing could be held this week.

In an interview on Saturday, Mr. Boies dis-

(Continued on Page 11, Col. 1)

Deng Backs Competition in Banking

By Mark O'Niell

Reuters

BEIJING — The purchase by the government-owned China International Trust & Investment Corp. of a financially troubled Hong Kong bank was supported by China's leader, Deng Xiaoping, as a way of shaking up China's banking system, foreign bankers say.

CITIC has agreed to buy a majority holding in Ka Wah Bank Ltd., which has had problems with loans to companies in Malaysia and Singapore, for an amount bankers put at about 300 million Hong Kong dollars ($38.5 million). The bankers said the acquisition would launch CITIC into the international banking scene.

It was the first big direct investment in a Hong Kong bank by CITIC, which opened a banking department last month.

A Japanese banker said the decision to take over Ka Wah had backing from Mr. Deng, who has a close relationship with CITIC's chairman, Rong Yiren.

Another banker said, "One reason Deng is backing CITIC so strongly is that he wants it to compete with Bank of China and through this improve the standard of Chinese banking.

"Foreign businessmen like to deal with CITIC more than any other Chinese organization because it is comparatively more businesslike. This competition must extend overseas."

Bank of China, the foreign-exchange bank, has more than 290 offices outside the country.

A Japanese banker said the takeover would give CITIC a running banking concern, trained personnel and a deposit base in Malaysia, Hong Kong and Singapore, where it wants to expand.

Another banker said the initial approach to CITIC was made last year by the Hong Kong government.

"It was a natural marriage. Taking over Ka Wah was not attractive for the Hong Kong bank, which is expanding outside Hong Kong, nor for foreign banks already established there which do not want further commitment," he said.

The Japanese banker said that CITIC was growing rapidly and that he expected it to make more investments in Hong Kong.

China will take back sovereignty over Hong Kong from Britain in 1997, but the Japanese banker said the Ka Wah takeover was motivated mainly by commercial considerations.

"China obviously did not want a bank in Hong Kong to go under. But CITIC is a very businesslike organization and would not have done it just for political reasons," he said.

In 1984, CITIC set up a deposit-taking company in Hong Kong, China Investment & Finance, which is a joint venture with Royal Bank of Canada.

■ **Bank of China Results**

Bank of China said Monday that its group operations in Hong Kong and Macao improved 30 percent in its lending and deposit base last year, Agence France-Press reported from Hong Kong.

A senior Bank of China official said the figure was well above average growth in the local banking sector, which saw the collapse of Overseas Trust Bank in June and difficulties in several small local banks last year.

Bank of China, comprising 13 sister banks in Hong Kong and one in Portuguese-administered Macao, last year made new industrial loans totaling 2.2 billion Hong Kong dollars, up 18 percent from 1984.

Slowdown Is Expected for Norway

By Bjorn Veseth

Agence France-Presse

OSLO — Norway, where increasing oil revenues have fueled economic growth during the last 10 years, faces an uncertain future in view of the recent sharp drop in the value of the dollar and the decline in oil prices.

While the changes were partly expected, a further fall would cause problems for Norway's economy, which has become increasingly dependent on petroleum exports.

Totally unexpected, however, were the recently published results from test drilling in a North Sea oil field that was believed to be the most promising of them all.

The tests indicated that the so-called "gold block" field does not contain oil deposits worth exploiting.

The gold block was supposed to pick up the slack expected in the 1990s, when production from existing oil fields should taper off. It was expected to earn revenues of 500 billion Norwegian kroner (about $66 billion) during its lifetime.

The findings probably will speed up test drilling in other oil fields further north, where there are indications of promising deposits.

But the risk of lower oil production at the end of the century is causing concern. Increasing revenues from offshore oil and gas have more than made up for stagnation in Norway's land-based industries in recent years.

Norway has recorded a growing deficit with other countries in the last 16 years, to 64 billion kroner from about 7 billion kroner in 1970, due to increased imports and loss of market share abroad.

These problems have been a constant theme for the Conservative Party, which leads the coalition government, when discussing demands for higher spending of oil revenues.

Prime Minister Kaare Willoch has said repeatedly that high oil revenues cannot be taken for granted, and that the substantial reserves of exchange currency may be needed in leaner times.

Norway's economy will continue to grow in 1986, but at a slower rate of 2.25 percent to 2.75 percent, according to estimates by the Organization for Economic Cooperation and Development.

Inflation is expected to increase slightly from 5.7 percent in 1985, and a shortage of labor is expected to push wages higher.

But the future of the Norwegian economy still depends on factors beyond the control of the country — oil prices and the dollar.

Estimates show that existing oil fields could operate profitably if prices were to fall to $10 a barrel. But development of new oil fields will not be undertaken if the price drops below $20 a barrel.

In an October report, Bergen Bank estimated that Norway's economy would remain dependent on the energy sector, which accounted for more than 18 percent of the country's gross national product and 36 percent of its exports in 1985.

■ **Credit Policy Assailed**

Hermod Skaanland, governor of the Bank of Norway, on Monday called new credit regulations a government retreat from efforts to liberalize Norway's credit policy, and said that any possible gains were jeopardized by growing state spending and wage inflation, Reuters reported from Oslo.

Last week, the Finance Ministry increased primary reserve requirements for commercial and savings banks to 17 percent from 15 percent in a bid to curb what it called damaging growth in bank lending.

Mr. Skaanland called for more extensive economic reforms. He said that high state spending and high demand for investment capital had led to unprecedented growth in the volume of credit available to Norwegian borrowers.

The Feasibility of Creating ECU-EASD

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West Germany Reports Growth Of 2.5% in 1985

By Warren Getler

International Herald Tribune

FRANKFURT — West Germany's economy grew at an inflation-adjusted annual rate of 2.5 percent in 1985, down slightly from a revised 2.7 percent in 1984, the Federal Statistics Office reported Monday.

Last year's growth in gross national product, which measures the total value of a nation's output of goods and services, was in line with most projections.

The statistics office revised price-adjusted GNP for 1984 upward from a previously reported 2.6 percent.

Analysts said that West German growth, boosted by exports and capital investment, would have been significantly stronger for 1985 in the absence of severe weather conditions in the first quarter.

The harshest winter in about 20 years was blamed for a 1-percent fall in GNP during the first three months of 1985. A prolonged debate over new automobile-exhaust regulations also contributed to weak economic growth in the first few months of the year.

Projections for economic expansion in the current year range from 3 percent to 4 percent.

Bonn's Council of Economic Advisers foresees 1986 GNP growth of 3 percent, the central bank expects as much as 3.5 percent, while Commerzbank — expecting strong West German trade performance and an upsurge in private demand — predicts 4-percent expansion, about a half-percentage point greater than most private bank and research institute projections.

Exports last year climbed an inflation-adjusted 7.2 percent, compared with a 7.4-percent rise in 1984. Domestic demand rose a far weaker 1.5 percent, against a 1.9-percent increase in the year earlier.

Imports rose 6.8 percent in 1985, down from a 10.3-percent increase in 1984, the statistics office said Monday. This yielded a record trade surplus of 72.3 billion Deutsche marks ($20.4 billion), a 44-percent increase from the 50 billion DM posted in 1984.

Private consumption climbed 3.7 percent in 1985, a rise from 3.1 percent posted in 1984. Capital investment was up 11.3 percent in 1985, following a 1.5-percent climb in 1984, when investment was held back by a metalworker's strike in the spring in 1984.

Inflation dropped to 2.2 percent in 1985 from 2.4 percent in 1984 and 3.3 percent in 1983.

"We expect exports to remain at a high level, but export growth will slow to around 5 percent this year," said Herbert Wolf, chief economist at Commerzbank AG. "Private consumption, which accounts for about 55 percent of West German GNP, will be up 3.5 percent this year and will set the stage for overall GNP growth of at least 4 percent."

Despite Bonn's prospects for a fourth year of steady, yet moderate growth, unemployment has not dropped significantly.

In December, unemployment rose to 2.35 million, or 9.4 percent of the work force, from 2.21 million, or 8.9 percent, in November. Projections for the current year expect unemployment to drop somewhat, but not below 2 million.

BAT Says It Plans to Sell Several U.S. Retail Units

Reuters

LONDON — BAT Industries PLC said Monday that it planned to sell several major retailers in the United States because they no longer fit in its growth strategy.

BAT said that all three Gimbels companies, Kohl's department stores, Frederick and Nelson department stores and the Crescent department stores would be sold. The stores are operated by BAT's wholly owned U.S. subsidiary, Batus Inc., of Lexington.

BAT said that selling the units and decentralizing Batus' central office in New York would reduce Batus retail sales by about 40 percent. It said its U.S. retailing operations currently had sales of $3.5 billion.

BAT said that Batus' future operations would be concentrated on five retail businesses: Saks Fifth Avenue, Marshall Fields, Ivey's, Breuners and Thimbles.

Batus owns 41 Saks stores, 21 Marshall Fields, 25 Iveys, 58 Breuners, 31 Thimbles, 36 Gimbels, 39 Kohls, 15 Frederick & Nelsons and three Crescents, said Thomas Humber, a company spokesman.

The company said that the businesses to be retained represent total annual sales exceeding $2 billion, with $150 million in profits and a work force of more than 40,000 people. The total annual sales of Batus retailing operations is $3.5 billion, the statement said.

The London-based tobacco, paper and retailing concern said that the timing of the divestments and their financial consequences could not be precisely estimated. But it said that they should lead to increased pretax profit and a substantially higher rate of return on Batus' investment in retailing.

BAT said that cash received from the sales initially would be used for debt reduction.

It said most operations from Batus' retail central office in New York would be moved to individual retail companies, which would report direct to Batus headquarters in Louisville, Kentucky.

BAT shares surged Monday to 323 pence ($4.68) on the London Stock Exchange from Friday's close of 310 pence.

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THE INTERNATIONAL MANAGER
A WEEKLY GUIDE BY SHERRY BUCHANAN
WEDNESDAY IN THE IHT

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued from Page 8)

NYSE Highs-Lows

NEW HIGHS 57

AdobeRs 184, AdobeRs 248, Alleen Inc, AlaP 828pf, AmFamily s, AmGenlCp, AmGenlCp wt, AmGnCp 264pf, AndraClay, Arkans Best, BancCtrl n, Carter Wall, ClaG 952pf, CleveCif pf, ClevEl pfA, CnPw 768pf, DevtPL pfD, DetE 228pr, DomeMg, DukeP pfH, EatonCp pf, EmpDE pfC, Farah Mfg, GenlDevl wt, GPU Cp, GIFW 575pf, Gulton Ind, HouseInt, Housint 625, Intelogic n, LIL Co pfJ, LIL Co wtP, LIL Co pfO, MosMuf Inv, MesaLP n, MetEd pfI, MetEd pfH, Newmont, OhEd 456pf, OhEd 736pf, Phelps Dod, PhEl 952pf, PSEG 408pf, PSEG 740pf, PSEG 962pf, RepubAir, RepAir wt, SouNET pfB, Sterchi Bro, Tennc 740pr, TexEastn, TolEd 236pf, TolEd 884pf, TolEd adjpfA, TranscoEng, Uniroyal pf, WisEl 775pf

NEW LOWS 7

vlCLC Am, CRS Sirine, Christiana, FooteConB, Foxmeyer, GnMotr H n, KanebSvc

AMEX Highs-Lows

NEW HIGHS 18

AmRealty, Astrex, BAT Ind, Castesln A, ElectrSnd, EnzyDevl un, Fitchbg GE, Frantz Mfg, Hubbel 20rr, MePub Sv, Masland Son, Nantuck In n, NWIdPict n, PLtn 450pf, RestAscB, SandyCp n, TotalPetl wt, YankeeCos pf

NEW LOWS 3

CrystalOil, DriverHar, LincNC un

Chrysler Lifts Spending By $1 Billion, to Record

United Press International

DETROIT — Chrysler Corp. has increased its five-year product and capital spending program to $12.5 billion, a record, from $11.5 billion, Chrysler Motors' chairman, Gerald Greenwald, said Monday.

He said that the spending "is just about double what we spent over the past five years, and about triple Chrysler's current net worth as a total corporation."

Of the $12.5 billion, Chrysler will spend a record $3.4 billion this year on new products and factory improvements, Mr. Greenwald said. "That's the magnitude of investment it takes to be a serious contender in today's auto market."

Chrysler will come to market with four new car and truck lines over the next year, Mr. Greenwald said. The Dodge Shadow and Plymouth Sundance, small sports sedans, will make their debut this summer. A mid-sized pickup truck, the Dodge Dakota, also will come out at midyear, and a midsized coupé, code-named the J-car, is scheduled for later this year.

Poland's Output Slows, Exports to West Decline

Reuters

WARSAW — Poland's industrial output slowed markedly last year while its trade surplus with the West, vital for paying off the country's huge debt, fell sharply, according to official figures released Monday.

Industrial production grew by 3.8 percent, down from 5.3 percent in 1984 and 6.7 percent in 1983. The Communist authorities' central plan envisaged growth of 4 percent to 4.5 percent in 1985.

Exports to the West fell by 5.4 percent, while imports rose by 5.9 percent, leaving a merchandise trade surplus of $1.08 billion dollars, down from about $1.5 billion in 1984.

Poland's hard currency debt totals more than $29 billion and the deteriorating export performance forced a postponement of $550 million of debt payments last year.

Polish officials have blamed the poor trade position partly on the West's reluctance to extend fresh government loans. New loans were cut off after martial law was declared in 1981.

WHAT WOULD LIFE BE LIKE WITHOUT IT? WEEKEND EACH FRIDAY IN THE IHT

U.S. Futures

Via The Associated Press

Jan. 13

Grains

WHEAT (CBT) 5,000 bu minimum- dollars per bushel

Est. Sales Prev. Sales 6,580. Prev. Day Open Int. 31,595 up 80

Stock Indexes

Commodity Indexes

	Close	Previous
Moody's	978.40 f	976.00 f
Reuters	1,863.40	1,857.20
D.J. Futures	136.39	138.19
Com. Research Bureau	225.90	229.40

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Currency Options

Jan. 13

PHILADELPHIA EXCHANGE

Source: AP.

London Commodities

Jan. 13

SUGAR Sterling per metric ton

	High	Low	Close Bid	Close Ask	Previous Bid	Previous Ask
Mar	150.20	142.20	142.40	142.60	149.80	150.00
May	155.20	147.20	147.40	147.80	154.60	155.00
Aug	160.60	154.20	153.00	153.40	160.80	161.00
Oct	165.40	158.60	158.00	158.40	165.00	165.80

Volume: 1,778 lots of 50 tons.

COCOA Sterling per metric ton

	High	Low	Close Bid	Close Ask	Previous Bid	Previous Ask
Mar	1,722	1,713	1,714	1,715	1,709	1,705
May	1,728	1,717	1,721	1,722	1,711	1,713
Jly	1,744	1,738	1,742	1,743	1,734	1,735
Sep	1,768	1,760	1,762	1,765	1,756	1,758
Dec	1,780	1,775	1,772	1,774	1,765	1,771
Mar	1,796	1,793	1,798	1,796	1,788	1,792
May	N.T.	N.T.	1,803	1,816	1,812	1,790

Volume: 1,487 lots of 10 tons.

COFFEE Sterling per metric ton

	High	Low	Close Bid	Close Ask	Previous Bid	Previous Ask
Jan	2,780	2,560	2,560	2,600	2,808	2,815
Mar	2,875	2,570	2,615	2,620	2,880	2,888
May	2,955	2,650	2,690	2,695	2,962	2,965
Jly	3,030	2,730	2,770	2,775	3,030	3,040
Sep	3,100	2,820	2,841	2,860	3,100	3,120
Nov	3,145	2,900	2,900	2,915	3,140	3,160
Jan	3,185	2,940	2,945	2,990	3,180	3,190

Volume: 13,022 lots of 5 tons.

GASOIL U.S. dollars per metric ton

	High	Low	Close Bid	Close Ask	Previous Bid	Previous Ask
Feb	214.00	208.50	210.50	210.75	216.00	216.25
Mar	211.00	203.75	204.75	205.00	209.00	209.50
Apr	200.00	194.25	197.50	197.75	200.50	201.00
May	191.50	190.00	190.75	191.00	191.50	192.00
Jun	190.00	188.50	188.50	189.50	190.00	190.75
Jly	190.00	188.75	188.50	188.75	190.25	191.00
Aug	191.75	191.00	191.75	192.00	192.00	193.50
Sep	N.T.	N.T.	195.00	200.00	192.00	196.75
Oct	N.T.	N.T.	198.00	208.00	183.00	203.00

Volume: 14,019 lots of 100 tons.

CRUDE OIL (BRENT) U.S. dollars per barrel

	High	Low	Close Bid	Close Ask	Previous Bid	Previous Ask
Feb	24.00	23.85	23.98	24.02	24.00	24.40
Mar	22.75	22.75	22.80	23.10	23.00	23.40
Apr	22.10	22.00	21.50	22.80	22.45	22.80
May	N.T.	N.T.	21.00	22.40	21.40	22.40
Jun	N.T.	N.T.	20.75	22.00	21.40	22.40
Jly	N.T.	N.T.	20.00	21.80	21.60	22.40

Volume: 41 lots of 1,000 barrels.

Sources: Reuters and London Petroleum Exchange (gasoil, crude oil).

Asian Commodities

Jan. 13

SINGAPORE GOLD FUTURES U.S.$ per ounce

	High	Low	Settle	Prev. Settle
Feb	341.90	341.90	341.90	341.80
Mar	N.T.	N.T.	343.70	344.60
Apr	N.T.	N.T.	345.80	345.70

Volume: 60 lots of 100 oz.

KUALA LUMPUR RUBBER Malaysian cents per kilo

	Close Bid	Close Ask	Previous Bid	Previous Ask
Feb	180.50	181.50	180.00	181.00
Mar	181.00	182.00	180.50	181.50
Apr	183.50	184.50	183.00	184.00
May	185.50	186.50	185.00	186.00
Jun	188.00	189.00	187.50	188.50

Volume: 0 lots.

SINGAPORE RUBBER Singapore cents per kilo

	Close Bid	Close Ask	Previous Bid	Previous Ask
RSS 1 Feb	154.00	154.75	155.25	155.75
RSS 1 Mar	154.25	154.75	155.25	155.75
RSS 2 Feb	152.00	153.00	152.25	153.25
RSS 3 Feb	150.00	151.00	151.25	152.25
RSS 4 Feb	146.00	148.00	146.25	147.25
RSS 5 Feb	141.00	143.00	140.25	142.25

KUALA LUMPUR PALM OIL Malaysian ringgits per 25 tons

	Close Bid	Close Ask	Previous Bid	Previous Ask
Jan	675	690	675	710
Feb	703	706	716	718
Mar	725	730	747	750
Apr	745	750	760	764
May	757	762	768	776
Jun	738	770	738	790
Jly	720	770	750	790
Sep	720	760	740	780
Nov	720	760	740	780

Volume: 32 lots of 25 tons.

Source: Reuters.

London Metals

Jan. 13

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM Sterling per metric ton				
Spot	805.00	806.00	778.50	779.50
Forward	832.50	833.00	805.00	806.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	988.00	989.00	979.00	979.50
Forward	1014.50	1015.00	1003.50	1004.00
COPPER CATHODES (Standard) Sterling per metric ton				
Spot	973.00	976.00	964.00	965.00
Forward	1003.00	1005.00	994.00	995.00
LEAD Sterling per metric ton				
Spot	257.00	258.00	259.75	260.25
Forward	267.25	267.50	269.50	270.00
NICKEL Sterling per metric ton				
Spot	2840.00	2850.00	2810.00	2820.00
Forward	2915.00	2920.00	2880.00	2885.00
SILVER Pence per troy ounce				
Spot	417.00	418.00	411.50	412.50
Forward	430.00	432.00	424.50	425.00
ZINC Sterling per metric ton				
Spot	405.00	410.00	395.00	400.00

Source: AP.

S&P 100 Index Options

Jan. 13

Source: CBOE.

Paris Commodities

Jan. 13

SUGAR French francs per metric ton

	High	Low	Close Bid	Close Ask	Ch'ge
Mar	1,295	1,268	1,272	1,274	— 9
May	1,328	1,296	1,295	1,299	— 13
Aug	1,377	1,349	1,345	1,349	— 12
Oct	1,430	1,430	1,400	1,405	— 7
Dec	1,435	1,425	1,425	1,430	— 6
Mar	N.T.	N.T.	1,481	1,497	— 14

Est. vol.: 1,160 lots of 50 tons. Prev. actual sales: 1,718 lots. Open interest: 31,478

COCOA French francs per 100 kg

	High	Low	Close Bid	Close Ask	Ch'ge
Mar	1,855	1,855	1,853	—	+ 8
May	N.T.	N.T.	1,868	—	Unch.
Jly	N.T.	N.T.	1,875	—	Unch.
Sep	N.T.	N.T.	1,885	—	— 10
Dec	N.T.	N.T.	1,895	—	— 15
Mar	N.T.	N.T.	1,905	—	— 20
May	N.T.	N.T.	1,915	—	— 15

Est. vol.: 4 lots of 10 tons. Prev. actual sales: 34 lots. Open interest: 358

COFFEE French francs per 100 kg

	High	Low	Close Bid	Close Ask	Ch'ge
Jan	N.T.	N.T.	2,770	—	— 220
Mar	3,078	2,880	2,888	2,894	— 217
May	N.T.	N.T.	—	3,002	— 180
Jly	N.T.	N.T.	—	3,100	— 135
Sep	3,380	3,152	—	3,152	— 180
Nov	N.T.	N.T.	—	3,200	— 180
Jan	N.T.	N.T.	—	3,200	— 180

Est. vol.: 280 lots of 5 tons. Prev. actual sales: 253 lots. Open interest: 428

Source: Bourse du Commerce.

To Our Readers

The Deutsche mark futures options were not available in this edition because of transmission delays.

French Car Production Fell 3.1% in Period

The Associated Press

PARIS — French automakers turned out 2.42 million cars in the first 11 months of 1985, a decline of 3.1 percent from a year earlier, the Automobile Manufacturers' Association said Monday.

In November, 241,182 cars came off French assembly lines, a decline of 6.1 percent from the like month in 1984. Total exports over the first 11 months of last year came to 1.40 million units, virtually unchanged from the same 1984 period.

Cash Prices

Jan. 13

Commodity and Unit	Mon	Year Ago
Coffee 4 Santos, lb	2.50	1.38
Printcloth 64/30 38 ½, yd	0.72	0.78
Steel billets (Pitt.), ton	473.00	473.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	71-72	79-80
Lead Spot, lb	18-19	18-22
Copper elect., lb	70-72	63-66
Tin (Straits), lb	n.a.	5.712
Zinc, E. St. L. Basis, lb	0.35	0.45
Palladium, oz	99-101	115-117
Silver N.Y., oz	6.03	5.94

Source: AP.

Dividends

Jan. 13

Company	Per	Amt	Pay	Rec
INCREASED				
Carolina Freight	Q	.11	2-7	1-24
Ply-Gem Industries	Q	.03	3-12	2-10
STOCK				
Warn Steer Mom	-	25%	2-20	1-30
STOCK SPLITS				
Church & Dwight — 2-for-1				
Ply-Gem Indus — 3-for-2				
USUAL				
Big V Supermarkets	Q	.10	2-7	1-21
IVB Financial Corp	Q	.55	2-14	1-22
Petro & Resources	-	$2.97	2-28	1-21
Phillips Petro	Q	.25	3-1	1-31
Ply-Gem	Q	.02	3-12	2-10
Sierra Pacif Resour	Q	.41 ½	2-1	1-21
Warn Steer Mom	-	.05	2-20	1-30

Source: UPI.

U.S. Treasuries

Jan. 13

	Discount Offer	Bid	Yield	Prev. Yield
3-month bill	7.23	7.22	7.47	7.44
6-month bill	7.32	7.30	7.70	7.74
1-year bill	7.39	7.37	7.92	7.91

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	102 12/32	102 14/32	9.43	9.55

Source: Salomon Brothers.

Merrill Lynch Treasury index: 135.99
Change for the day: — 0.52
Average yield: 9.18 %
Source: Merrill Lynch.

EOE Plans Futures Trading

Reuters

AMSTERDAM — The European Options Exchange said Monday that it planned to introduce futures trading this year based on Dutch interest rates and on the EOE share index.

صكذا من الاصل

BUSINESS ROUNDUP

Fauroux Is Said to Plan Resignation

By Axel Krause
International Herald Tribune

PARIS — Roger Fauroux plans to resign as chairman of Cie. de Saint-Gobain, the diversified government-owned industrial group, to become director of France's Ecole Nationale d'Administration, company sources said Monday.

His resignation would be the second this year by a chairman of a major government-controlled business in France. On Thursday, David Dautresme resigned as chairman of Crédit du Nord to join Lazard Frères in Paris as managing partner.

Industry sources, who declined to be identified, said that by stepping down now, Mr. Fauroux, who will be 60 in November, will make it difficult for any future government to change his proposed successor, Jean-Louis Beffa, 45. Mr. Beffa, who like Mr. Fauroux has spent most of career at Saint-Gobain, became managing director of the company in 1982.

A program of denationalization is expected to be carried out after the March 16 National Assembly elections if conservative groups gain a majority from the Socialists. One conservative goal is to return to private ownership the companies and banks that were nationalized, including Saint-Gobain.

Party leaders said Monday that they expected to outline specific plans for denationalization on Thursday.

"Perhaps Mr. Fauroux had a reasonable chance of remaining on as chairman here, but he also is ideally suited for the position at ENA and is delighted at the idea," a company executive said.

Company executives said Mr. Fauroux's major achievement at Saint-Gobain had been maintaining what one called "coherence and a sense of identity," despite several reorganizations before and after Saint-Gobain was nationalized in 1982.

Mr. Fauroux's appointment to the prestigious graduate school must be approved by the cabinet. He would replace Simon Nora, a former government official and business executive, who will retire next month.

Volvo Said to Seek Pripps Takeover

Reuters

STOCKHOLM — AB Volvo is seeking to acquire AB Pripps Bryggerier, the government-controlled brewery in which it already holds a 25-percent stake, Finance Ministry officials were quoted as saying Monday.

Swedish radio quoted the officials as saying the state-owned holding company Procordia AB had been directed to begin negotiating the sale of the government's 75-percent share in Pripps and that Volvo was the likely buyer.

Stockbrokers said Volvo had preferential rights to buy Pripps shares if they were put up for sale. Pehr G. Gyllenhammar, Volvo's chairman, said last week that it was not in Volvo's long-term interest to hold a minority stake in Pripps.

United Airlines Opens Talks On Increasing Japan Flights

The Associated Press

TOKYO — Negotiations opened Monday over a request for increased flights to Japan by United Airlines, which recently bought Pan American World Airways' routes and facilities in the Pacific, officials said.

United asked the Japanese Transport Ministry last month for permission to take over Pan Am's routes to Japan and operate 56 flights a week between Japan and the United States, said George Hisaeda, assistant director of the Foreign Ministry's First North America Division.

United, which paid $715 million for Pan Am's Pacific routes, already was operating seven Seattle-Portland-Tokyo flights a week. It hoped to launch its new routes on Jan. 28.

So far, Japan has not granted United's request on the ground that the number of weekly United flights would exceed Pan Am's 33. The United States counters that United is just replacing Pan Am.

Mr. Hiseada said that the issues are so complicated that the talks, scheduled for two days, may run on into Wednesday morning.

Officials from the U.S. State Department and Japanese Transport Ministry as well as the Foreign Ministry are participating.

Japan Air Lines officials, who fear United's plans would threaten their trans-Pacific business, have observer status.

JAL said that all U.S. passengers could use just one airline to make connections to Japan, since United, which is one of the world's largest airlines, serves all 50 U.S. states.

JAL also planned to press in the talks for permission to start a Japan-Los Angeles-Mexico passenger service, and to fly cargo flights into Chicago.

Legal Gamble by Texaco Pays Off

(Continued from Page 9)

cussed what, from Texaco's viewpoint, had been the legal keys to the victory.

"The fundamental point we made and that the court accepted," he said, "was that Texaco ought to have the right to present its appeal points within the normal appeal process without being dismembered prematurely as a result of the Texas bond and lien provisions."

Judge Brieant found that Texaco had established that it would suffer irreparable harm if he did not protect the company from Pennzoil during an appeal, that Texaco had a substantial likelihood of overturning or greatly reducing the award on appeal, and that there was precedent for a federal judge to intervene in this type of case.

Meanwhile, the judge did not accept Pennzoil's major argument, that he could not intervene in such a state court proceeding.

Nor was Pennzoil able to convince the judge that there were reasonable alternatives to federal intervention. A lawyer for Pennzoil, G. Irvin Terrell, told the court on Thursday that Pennzoil had presented an alternative by offering to allow the Texas state judge to decide the bond issue under federal procedures. Those procedures give the judge more discretion in setting the size of the bond than Texas procedures, which mandate that the full bond be required.

But Judge Brieant, apparently skeptical that the Texas trial judge, Solomon Casseb Jr., would reduce the bond if Pennzoil did not agree, heatedly questioned Mr. Terrell about exactly what size bond Pennzoil would ask for. Mr. Terrell finally said that Pennzoil would ask for the full $12 billion.

"To the extent that there was anything left of Pennzoil's argument that federal relief was not needed, it evaporated with that response," Mr. Boies said.

Texaco's management pursued a number of other strategies before deciding to go ahead with the federal intervention strategy developed by Mr. Boies and his colleagues, according to interviews with members of Texaco's legal team and a reading of the court records.

One source close to management said, "They wanted to be satisfied that we had a solid argument and they were very alert to the consequences if we made a frivolous argument."

Among those consequences was a fear of offending the Texas judiciary, which could ultimately determine Texaco's fate on appeal, and, if the federal suit were thrown out, of further upsetting the company's lenders, suppliers and business partners, who were already worried about Texaco's creditworthiness and long-term viability. But most of all, many Texaco executives did not want to provoke Pennzoil, preferring to see whether the two companies could reach a mutually agreeable way of resolving the bond and lien issues.

To that end, Texaco made two proposals in writing to Pennzoil on Dec. 9. One was for Pennzoil to agree to drop the bond requirement in return for Texaco putting the cash flow from three-sevenths of the Getty properties, the portion Pennzoil had attempted to purchase two years earlier, in escrow. The other was for Texaco to pay Pennzoil a nonrefundable $50-million fee in return for dropping the bond requirement.

Pennzoil rejected both proposals that same day. "At that point," said the source, "Texaco was finally brought face to face with the reality that Pennzoil was going to use all the leverage it had to squeeze Texaco."

As a result, the major objection to the federal suit, the fear of alienating Pennzoil, suddenly became less compelling.

Texaco's three top executives, John K. McKinley, chairman, Alfred C. DeCrane Jr., president, and James W. Kinnear, vice chairman, assembled in Houston to oversee the strategy for the next day.

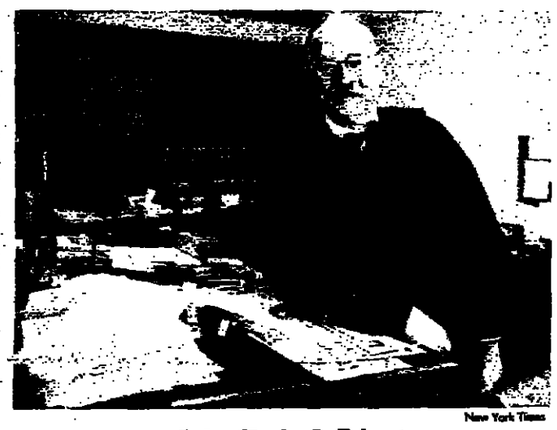
With no likelihood of an agreement with Pennzoil or of being granted relief by the Texas court, sources said, Mr. Boies recommended to the executives that the company file a federal suit.

The next day, Dec. 10, hours before the trial judge upheld the jury verdict in Texas, Texaco filed papers with the U.S. District Court outlining the reasons for seeking federal court intervention in the case but without specifically asking for a temporary restraining order.

Texaco tried unsuccessfully for the next several days to persuade Pennzoil to enter into an agreement on the bond. Finally, on Friday, Dec. 13, it amended its complaint to ask for a temporary restraining order against Pennzoil, and got it on Dec. 17.

A hearing scheduled before Judge Brieant for Friday, Dec. 20, was adjourned when the companies said they wanted to attempt to negotiate an out-of-court settlement. The settlement talks were convened only after Pennzoil ended its insistence that Texaco drop the federal proceeding before negotiations could start.

But settlement talks broke down in acrimony last week, setting up the crucial hearing before Judge Brieant last Thursday and his ruling on Friday.



New York Times

Judge Charles L. Brieant

U.S. Trucker to Finish Contracts Before Closing

The Associated Press

WINSTON-SALEM, North Carolina — McLean Trucking Co., which has filed for reorganization under federal bankruptcy laws, will liquidate its operations after completing previously agreed freight work, lawyers for the trucking company, the fifth largest in the United States, said Monday.

McLean filed for protection Friday under Chapter 11 of the U.S. Bankruptcy Code. It listed assets of more than $233 million and liabilities of more than $174 million. A Charlotte bankruptcy judge, Marvin R. Wooten, has authorized the company to spend $7.79 million in the next two weeks to close its operations.

Philips Plans German Plant For Microchip Production

Reuters

HAMBURG — NV Philips will build a major plant in West Germany to produce a new generation of electronic microchips developed in a joint project with Siemens AG, Philips's West German subsidiary said Monday.

A spokesman for Allgemeine Deutsche Philips Industrie GmbH, said the company would decide by this spring where to put the factory, whose first stage will cost more than 500 million Deutsche marks (about $200 million). The factory will initially employ 350 to 400.

There was a strong chance it would be built in Hamburg, where Alldephi and its Valvo GmbH chip-making unit are based, but it could be built elsewhere in the region, he said.

The "superchip" project, under which Philips will develop a one-megabit, or one-million-bit, chip and Siemens a four-megabit chip, is aimed at catching up with Japan and the United States in the electronic components field.

The new plant will be the third built specifically to produce the chips. Siemens already has a new plant at Regensburg, in Bavaria, and Philips is building a new factory at its headquarters in Eindhoven, in the Netherlands.

The project will cost about 3 billion DM, half to be invested in the plants and half in research, for which the companies are to receive government aid of almost 500 million DM.

COMPANY NOTES

Alsthom-Atlantique said its SCEMI subsidiary has signed an agreement with U.S.-based Adept to sell the Adept One robot in France. It gave no financial details but said the addition of the Adept One will complete Alsthom's line of robots and automatized assembly systems offered in france.

Boeing Commercial Airplane Co. and **Messerschmitt-Bölkow-Blohm** GmbH have signed a memorandum of understanding with state-owned PT Nurtanio of Indonesia to research development of a passenger plane with 85 to 120 seats, the official Antara news agency said.

Canadian Imperial Bank of Commerce has begun a program to help Asian businessmen invest in Canada under new rules that make some types of business immigration easier. It said its CIBC (Hong Kong) Ltd. subsidiary will act as financial adviser to venture capital funds.

Hanson Trust PLC, a London-based diversified manufacturer, said it accepted and purchased 5.33 million shares of SCM Corp. in its tender offer for all shares at $75 each that expired Friday. It said it now has a total of about 11.2 million shares, or 97.2 percent of New York-based SCM.

Hongkong Land & Co. sold land certificates to Sun Hung Kai Properties Ltd. for 156 million Hong Kong dollars ($20 million) in 1985, and will show a pretax gain of 107 million dollars from the transaction in its 1985 results.

Kawasaki Steel Corp. of Japan and Europe's largest producer of magnets, Aimants Ugimag SA of France, have formed a joint venture to produce permanent magnets in Japan. Nihon Ugimag Corp., will begin operation in fall 1987. Annual revenues are expected to reach 10 billion yen ($50 million) by 1992.

The Kuwait Investment Office said it has increased its holding in Trusthouse Forte PLC, the British hoteliers and caterers, to 39.98 million shares, representing 5.12 percent of the issued share capital.

Raytheon Co.'s Beech Aircraft Corp. subsidiary said it will cut its work force by about 300 in Wichita and Salina, Kansas, over the next three months because of continuing softness in the general aviation market and the transition from development to production of its Starship I aircraft.

Siemens-Electrogeräte GmbH, a household appliances subsidiary of Siemens AG, said it boosted revenue last year by more than the industry's 1 percent to 2 percent average, largely due to strong foreign demand. It expects business to remain favorable this year.

TNT Ltd. said Overseas Containers Ltd. will acquire half of TNT's 80-percent stake in Trans Freight Lines subject to Australian government approvals. Financial details were not disclosed. The new partnership will continue to operate TFL's weekly transatlantic container ship service.

Unión Explosivos Río Tinto SA, the chemical conglomerate based in Madrid, will complete its asset-stripping plan by the end of this year, the chairman, José Maria de Escondrillas, said. The company has shed 32.6 billion pesetas ($215 million) in assets since March 1984.

Cadbury Negotiating Sale Of Some Units to Managers

Reuters

LONDON — Cadbury Schweppes PLC, best known for soft drinks and chocolate bars, said Monday that it planned to sell various food and beverage divisions in Britain, Ireland and France to a group of company managers.

Cadbury said it was in advanced negotiations with the managers to sell the subsidiaries, which make and sell products such as Typhoo tea, Kenco coffee and Chivers Hartley marmalade, for about £82.5 million ($119 million).

Industry analysts said the company was trying to revive profitability by trimming its range of products. The group's first-half pretax profit fell 15 percent to £33.8 million from £39.7 million. Sales amounted to £847.2 million, compared with £825.8 million.

A statement from Cadbury on Monday said the group's objectives would be better achieved by further concentrating on its core activities of candy and soft drinks.

Cadbury also said Monday that it expected to record a loss this year on its operations in North America, where it is restructuring and introducing new marketing programs.

Union Pacific Ends Talks With Katy Unit

Reuters

NEW YORK — Union Pacific Corp. said Monday that it had ended merger talks with Katy Industries' Missouri-Kansas-Texas Railroad Co. Under a previously announced agreement, MKT was to be acquired by Union Pacific's Missouri Pacific Railroad Co.

The agreement was terminated when MKT's offer of Dec. 3 to purchase $30.2 million of its income certificates expired without receiving the requisite amount of acceptances. MKT said it would promptly return the income certificates that were tendered.

THE TOP FRENCH QUALITY FIRMS

COMITÉ COLBERT

Pierre Frey: A Festival of Fabric

Patrick Frey, President

For the last 50 years, the name of Pierre Frey has symbolized the quality and distinction of fine French furnishing fabrics and wall coverings, timeless patterns evocative of the splendid haute decoration of a parician chateau as well as colorful motifs as contemporary as a California beach house. Today this family firm is headed by the son of the founder, Patrick Frey, 38, whose combination of American-trained business flair and sure-footed—and very French—stylish taste has revitalized the fabric business.

"The quality of French fabrics is recognized to be the best in the world," says Patrick Frey. "Our craftsmen—the printers and weavers—are unique." Fabrics profited from the economic recession which saw more people spending more time and money on their living environment.

"There has been a considerable evolution in the fabric business in the last 10 years," says Frey, "but what is difficult about fabrics is that they are not finished products. They must be transformed into curtains, slipcovers, bedspreads or cushions. It takes a very strong effort of the imagination to understand how to use them." And unlike a dress, furnishing fabric is destined to be around a long time: Five years on average in the United States, 10 in England and an amazing 25 in France.

To demystify the world of fabrics, Frey decided to take some of his best-sellers and "concretize" them into a line of products from table linens, bedspreads and beach towels to soft luggage and even boxer shorts which sold in the thousands and had the added plus of propagating the Frey image to a masculine clientele often the decisive factor in fabric purchases.

"A woman can spend two hours looking through fabrics in the showroom, leave undecided, then go down to the boutique, see the same fabric in the form of a product and say, 'That's the one I adore,'" says Frey. A set of gray flannel desk accessories, for example, easily translates into gray flannel study walls. Best-sellers range from updated and recolored 18th century documents which epitomize the French style in the United States, where Frey has been one of the major suppliers of Brunschwig and Clarence House for years, to the popular paisleys now also available in soft luggage. Patrick Frey himself is responsible for the striking house color palette on each fabric, whether an updated period document or one of the contemporary motifs commissioned from free-lance artists. Their collections, 80 percent of production, are completed by the Warner Greef English chintzes, Valentino Piu's silks and Yves Halard's flowered fabrics which they distribute.

Frey's imaginative flair shows up in the balance sheet. Turnover was 10 percent up at $13.3 million last year with exports, mainly to the United States, Europe and the Arabian Gulf, accounting for 35 to 40 percent. He is currently restructuring the company to make it even more competitive. "We plan to increase exports to 50 percent and double our turnover in the next five years," he says. A fabric fable to follow.

*AN ASSOCIATION OF THE MOST PRESTIGIOUS NAMES OF THE FRENCH "ART DE VIVRE" 2 BIS RUE DE LA BAUME, 75008 PARIS

AN ANNOUNCEMENT BY THE COMITÉ COLBERT

THE ROYAL OAK.
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Royal Oak in steel and 18 ct gold, extra-thin silhouette. Ladies model in 18 ct gold.

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Have you been looking forward to 1986...

Our 1986 Outlook provides our assessment of the state of the US equity and bond markets, and a detailed evaluation of what we expect in the coming year.

Backed by rigorous research and compiled by our New York analysts, the report contains a wealth of information which could prove invaluable to investors.

The present pattern of unrelenting commitment by investors is a clear indicator that, of all the investment alternatives currently available, equities are the best. We think that even greater opportunities for profit exist in the first half of 1986, and in our report we set out 46 US stocks we recommend for the months ahead.

As an international organisation with a network of offices in Europe and around the world, we are of course equipped to advise you on all the world's financial markets. If you'd like to test our strength, send for a copy of our 1986 US Outlook today.

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Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
[illegible]										

Floating-Rate Notes

Jan. 13

Dollar

Issuer/Mat.	Coupon	Next	Bid	Asked
[illegible]				

Non Dollar

Issuer/Mat.	Coupon	Next	Bid	Asked
[illegible]				

Source: Credit Suisse-First Boston Ltd., London

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Austria	A.Sch.	4,020	2,170	1,196
Belgium	B.Fr.	9,020	4,876	2,668
Denmark	D.Kr.	1,930	1,040	570
Finland	F.M.	1,410	760	414
France	F.F.	1,200	644	359
Germany	D.M.	482	261	144
Great Britain	£	101	55	30
Greece	Dr.	15,600	8,464	4,692
Netherlands	Fl.	550	298	166
Ireland	£.Irl.	115	62	34
Italy	Lire	276,000	149,040	82,800
Luxembourg	L.Fr.	9,020	4,876	2,668
Norway	N.Kr.	1,420	765	423
Portugal	Esc.	13,800	7,450	4,090
Spain	Ptas.	21,200	11,500	6,300
Sweden	S.Kr.	1,470	795	434
Switzerland	S.Fr.	432	233	129
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East	$	322	174	95
Rest of Africa, Canada, Latin America, Gulf States Asia	$	442	238	130

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) Jan. 13, 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

Fund	Currency	Price
[illegible]		

Other Funds

Fund	Currency	Price
[illegible]		

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bid change P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index November; ■ - Redempt- Price- Ex-Coupon; ●● - Formerly Worldwide Fund Ltd; @ - Offer Price incl. 3% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange

صكذا من الاصل

Japan Denies Report on Car Quota

New York Times Service

TOKYO — Japanese officials on Monday denied reports that they were close to a decision on whether to continue voluntary restraints on auto exports to the United States.

Mainichi Shimbun, a nationally circulated daily newspaper, had reported Sunday that the informal quotas would be continued in response to pressure from the U.S. Congress. The newspaper said the government had "almost decided" to extend restrictions for the 1986 fiscal year, which begins on April 1.

In addition, officials were said to be concerned about the rise in the U.S. market share of Japanese passenger cars, from 19.7 percent in 1984 to a record 21.8 percent last year. Without restraints, the newspaper said, the share might rise further and increase trade frictions.

Naoki Kuroda, head of the automobile division of the Ministry of International Trade and Industry, dismissed the report as "total speculation."

An official who works closely with the automobile industry said that while the Mainichi article was speculative, it might have arisen from informal discussions within the ministry believed to have taken place over this weekend.

The discussions, the official said, sketched out two scenarios. One would be to continue the voluntary quotas and decide whether to increase the current quota of 2.3 million. The second would be to end the quotas on the condition that if the Japanese share of the U.S. market rose above a certain level, Japanese and U.S. officials would consult about how to "minimize the damage to free trade."

The official, who asked to remain unidentified, said Japanese automobile industry officials might support the second option.

The Reagan administration has said that it would not ask Japan to continue the restraints after April of this year. Several auto industry officials have publicly called for an end to the restraints, including Shoichiro Toyoda, president of Toyota Motor Corp., Japan's largest automaker.

The voluntary auto restraints began five years ago, under pressure from Washington, at a time when the U.S. auto industry was rapidly losing market share to Japanese automobiles.

■ Danforth Speech

Senator John C. Danforth, Republican of Missouri, on Monday called on Japan to increase dramatically its purchases from abroad, saying failure to do so could start the breakdown of the international trading system, The Washington Post reported from Tokyo.

"Now is the time for a self-satisfied Japan-as-No. 1 generation to learn that there's more to leadership than flooding the world with Walkmen and VCRs," he said in a speech to the Foreign Correspondents Club of Japan. "No other nation contributes so little to the open trading system of the world, in proportion to what it gains."

Mr. Danforth, visiting Japan as part of a congressional trade mission, said Japanese leaders agreed on the need for change. But he said he was "fairly pessimistic" that Japan would be able to make the needed changes.

He called on Japan to continue limiting automobile exports to the United States.

U.S. Lets Banks Act as Brokers

United Press International

WASHINGTON — The U.S. Supreme Court opened the way Monday for more national banks to offer discount brokerage services. The justices, without comment, let stand a ruling by the U.S. Comptroller of the Currency that allowed two such banks to operate brokerage subsidiaries.

The 1983 ruling had been appealed by the Securities Industry Association, a trade group representing more than 500 securities brokers, dealers and underwriters. Since the ruling, more than 2,000 banks have set up discount brokerage services, the association said.

Under the Glass-Steagall Banking Act of 1933, banks cannot offer investment advice or analysis like stockbrokers. The SIA had argued that Congress only intended for banks to handle securities transactions for existing customers — not offer a general service.

Coffee Exporters Fear Slump

(Continued from Page 9)

immediate restoration of quotas when prices fall.

The delegates, however, pointed out that doubts over the accord's future had emerged before the latest price surge.

The United States, the world's biggest coffee consumer, last year threatened to pull out of the pact after failing to get penalties for exporters' undershipments linked to sales to non-ICO members. The U.S. Congress is due to debate the issue soon.

Ironically, cut-price sales to nonmembers, which last year undermined the quota system, have ended as coffee that would normally be sold to nonmembers has been diverted to stores in free ports in anticipation of quota suspension.

But some delegates said that the latest market trends could persuade the Reagan administration, which is in favor of free markets, to withdraw from the pact.

An agreement based on quotas without U.S. participation would be seriously compromised, the delegates said.

Meanwhile, the $10-billion-a-year international coffee trade will, for the immediate future, be genuinely free.

Delegates said exporters able to make good the Brazilian shortfall in the months ahead are likely to use this as an argument in seeking a bigger market share when quotas are renegotiated.

Mazda Plans Research in U.S.

The Associated Press

TOKYO — Mazda Motor Corp., Japan's third largest automaker, said Monday it will spend more than 5 billion yen ($24.75 million) to build research and development facilities in Los Angeles and Detroit by late 1987. Mazda plans to start building cars at its Flat Rock, Michigan, plant in autumn 1987.

Bombay Exchange Curbs New Trades in 65 Shares

Reuters

BOMBAY — The Bombay Stock Exchange has imposed indefinite daily deposit margins of as much as 20 percent on fresh trading in 65 shares, an exchange official said Monday. The margins, which went into effect immediately, are intended to curb speculation.

The official said that previous margins were for as much as 10 percent on fresh sales of 12 forward-trading shares. The exchange set the new margins at 20 percent on fresh purchases and 10 percent on sales of 35 forward-trading shares. Margins of 20 percent also were set on fresh buying in 30 cash shares, which are delivered immediately after the transaction.

Brokers said that share prices had risen by nearly 30 percent in the past three weeks in anticipation of several bonus issues by companies. The Economic Times index has risen 51.5 points to 594.6 since Dec. 20, they added.

Talks on World Tin Crisis Adjourned for One Week

Reuters

LONDON — The International Tin Council has put off until Jan. 20 a formal emergency session that was to have taken place Tuesday.

Diplomats said a settlement of the world tin crisis remained elusive as the 22 member governments appeared unable to find common ground on Monday ahead of the emergency session.

London Metal Exchange tin trading was suspended after the ITC buffer stock manager ran out of price support finance on Oct. 24.

Progress in emergency talks has been blocked by members' lack of willingness to accept responsibility for tin council debts to banks and brokers.

The latest rescue proposals, considered by some council members as the best to date, according to several diplomats, envisage setting up a company with risk capital of £270 million ($392 million) for buying up ITC stocks of tin.

These stocks would be fed back to the market gradually in an attempt to prevent a price dive.

Prime Minister Margaret Thatcher, whose government is concerned with the future of the London exchange, has written to council members asking for their cooperation to end the crisis, government sources said.

But diplomatic sources said the European Community countries remain divided.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

United States

Chase Manhattan	1985	1984
4th Quar.		
Net Inc.	151.0	120.0
Per Share	2.48	2.56
Year	1985	1984
Net Inc.	565.0	406.0
Per Share	12.77	9.01

Colt Industries	1985	1984
4th Quar.		
Revenue	400.9	395.0
Oper Net	34.38	29.62
Oper Share	1.72	1.47
Year	1985	1984
Revenue	1,580.	1,580.
Oper Net	129.3	119.97
Oper Share	6.47	5.43

Irving Bank	1985	1984
4th Quar.		
Net Inc.	28.2	21.1
Per Share	1.49	1.08
Year	1985	1984
Net Inc.	116.0	98.1
Per Share	6.14	5.11

McCormick & Co.	1985	1984
4th Quar.		
Revenue	267.3	241.7
Net Inc.	17.0	16.4
Per Share	1.38	1.34
Year	1985	1984
Revenue	873.0	788.4
Net Inc.	27.8	54.6
Per Share	2.27	4.40

Morgan (J.P.)	1985	1984
4th Quar.		
Net Inc.	174.0	167.5
Per Share	1.90	1.90
Year	1985	1984
Net Inc.	705.4	537.6
Per Share	7.81	6.87

NCR	1985	1984
4th Quar.		
Revenue	1,400.	1,250.
Net Inc.	133.2	124.0
Per Share	1.34	1.23
Year	1985	1984
Revenue	4,310.	4,070.
Net Inc.	315.2	342.6
Per Share	3.15	3.30

1984 year net includes gain of $30.6 million.

CURRENCY MARKETS

Dollar Falls Back in U.S. Trading

Compiled by Our Staff From Dispatches

NEW YORK — The dollar scored sharp gains Monday in New York before easing back to finish mostly lower on nervousness before next weekend's meeting of monetary officials, dealers said.

"It was a seesaw day that saw the dollar hit a high of almost 2.49 marks before fading back," a New York dealer said. The Deutsche mark is a bellwether trading currency. "The losses partly reflected emerging concern about the G-5 meeting in London next weekend now that it's known Baker and Volcker are going."

Finance ministers and central bankers of the Group of Five industrial countries — Britain, France, Japan, the United States and West Germany — are to meet in London next weekend. U.S. Treasury Secretary James A. Baker 3d and Paul A. Volcker, chairman of the Federal Reserve Board, are scheduled to attend.

At their meeting Sept. 22, the five nations agreed to coordinate policies to bring down the dollar's value. Because the currency has plunged since then, dealers said, currency markets will be nervous until the end of the new meeting.

Earlier, in European trading, the dollar finished higher against most major currencies.

The dollar ended at 2.4645 Deutsche marks in New York, down slightly from 2.4660 on Friday. In London, the U.S. currency closed at 2.469 Deutsche marks, up from Friday's close of 2.455 DM.

The pound slipped to $1.445 in New York from Friday's $1.450. Earlier in London, it closed at $1.4423, down from Friday's close of $1.4555. It also fell in London to 3.561 DM from Friday's 3.5733., and to 3.023 Swiss francs, from 3.0268.

The pound weakened after an analyst's report predicting lower oil prices and after North Sea oil prices fell on the spot markets, one dealer said.

Other closing rates in New York, compared with Friday's closing rates, included: 2.0900 Swiss francs, down from 2.0925, and 7.5535 French francs, compared with 7.5650.

The dollar was fixed at midafternoon in Frankfurt at 2.4767 DM, up from 2.4567 at Friday's fixing, at 7.5955 French francs in Paris, up from 7.5420, and at 1,688.75 lire in Milan, up from 1,676.50.

(UPI, Reuters, IHT)

THE EUROMARKETS

3 Yen-Denominated Issues Are Launched

By Christopher Pizzey

Reuters

LONDON — Dollar-denominated Eurobonds ended the day well below Friday's closing levels, although slightly above the lows, as the declines in the U.S. markets continued to prompt professional selling and markdowns, dealers said.

As a result, the currency sectors provided most of the interest on the new-issue front with three new Euroyen bonds emerging, including the first-ever equity-warrant issue in this area. The European Community also issued a 350- million-European-currency-unit floating-rate note, the proceeds of which will be lent to Greece.

Kubota Ltd. issued a 20-billion-yen bond that has equity warrants attached, the first such issue for a Japanese borrower in the Eurobond market since the Japanese Finance Ministry allowed warrant bonds to be introduced last November.

The coupon for the five-year issue was indicated at 3 percent, the minimum allowed under the ministry regulations. Priced at par, the issue was lead-managed by Yamaichi International (Europe) Ltd., which quoted it at 100¼.

The expected 20-billion-yen bond for Philip Morris Cos. was issued Monday. It pays 6½ percent over five years and was priced at 100⅞. Lead manager was Nomura International.

Nomura International also lead-managed a 20-billion-yen bond for Postipankki. The issue pays 6½ percent over five years and was priced at 101½. Dealers said that when-issued market trading was not particularly active in the issue.

The European Community's ECU floater pays 1/32 point over the three-month London interbank offered rate with a minimum coupon of 5¼ percent and matures in 1993. The proceeds will be lent to Greece following November's decision by the community to lend the country 1.75 billion ECU. Lead manager was Banque Paribas Capital Markets and the issue ended just inside the 15-basis-point fees at 99.89.

In the dollar-straight sector, Nordic Investment Bank issued a $100-million warrant bond that had the novel feature of allowing investors to redeem the warrants at a gradually increasing price during their 10-year life. The host bond is also callable after five years at 101¾, rising by ½ percent per year thereafter.

The host bond pays 9⅜ percent over 10 years and was priced at 100¼. The warrants, priced at $38.50 each, are exercisable into a noncallable 10-year bond paying 10 percent. If the warrants are exercised in the first five years, the host bond must be surrendered and a small cash payment made.

In the first year of the issue's life, exercise of the warrants would require a payment of $3.10 per $1,000 nominal amount of bonds. This reflects the difference in accrued yields between the host and back bonds. After five years, exercise is for cash only. The warrants are puttable at prices of between $20 in the first year and $51 at maturity.

Lead manager for the issue was Mitsubishi Finance International Ltd. Trading without the warrants, the issue was quoted on the grey market at 98⅜, while the warrants themselves were quoted at around $42.50.

Monday's OTC Prices

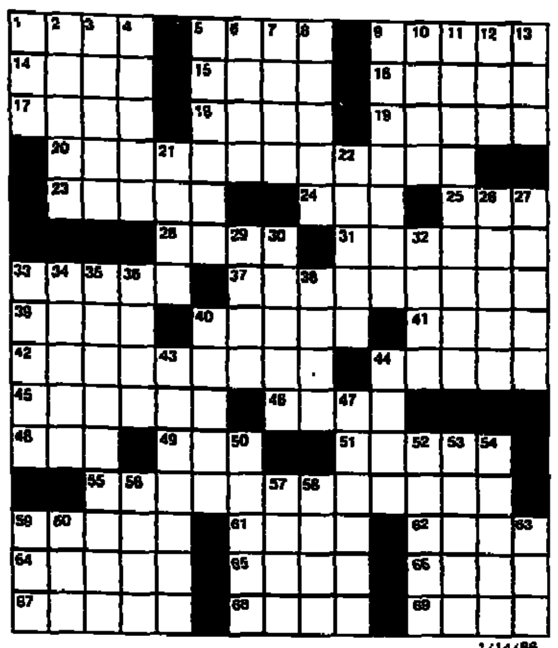
NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

12 Month High	12 Month Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Net Ch'ge
[illegible]									

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.



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ACROSS

1 Provender for Dobbin
5 Solicits
9 Discomfited
14 Severn feeder
15 Word with board or joint
16 India's Jawaharlal
17 Old gambling game
18 Opponent of Caesar
19 Coffin's "—— Calendar": 1949
20 New England snow resort
23 Halfhearted
24 Kind of cross
25 Much-used article
28 Loch of note
31 Watercourse
33 By chance, to a bard
37 Beast of burden
39 Thine, to Hélène
40 La Salle and Hudson
41 Allot
42 Record-breaking miler
44 Consumer advocate
45 Obvious
46 Nursemaid's words, often
48 Monterrey Mrs.
49 U.S.-Canadian canals
51 Sloping-roof essential
55 Smug, pompous one
59 Lecher
61 Arbitrary order
62 Derrick's arm
64 Singer-actress Bordoni
65 River through Firenze
66 Salinger girl
67 Bushed
68 Speed
69 Install in office

DOWN

1 Galoot
2 Nautical command
3 Rich cake
4 Be a busybody
5 Acquiesce
6 Czech, e.g.
7 Rise rapidly
8 Likable fellow
9 Boorish
10 Menial worker
11 Reduced to fragments
12 Sounds of uncertainty
13 Egyptian king, for short
21 Heady
22 Camouflages
26 Expedition
27 Mideast chieftain
29 Incentive
30 Old Nick
32 City on the Tevere
33 Metal fasteners
34 Fragrant oil
35 Versifier
36 Wire preceder
38 Italian lake
40 —— God (natural disaster)
43 Guaranteed
44 A Beery
47 Wise old man
50 Run —— the mouth
52 Milt Jackson's forte
53 Jagged
54 Minute pore in a leaf
56 Northumberland river
57 Innisfail
58 Actress Wynter
59 Command to a boxer
60 Jackie's second
63 Strawberry, for one

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PEANUTS

BLONDIE

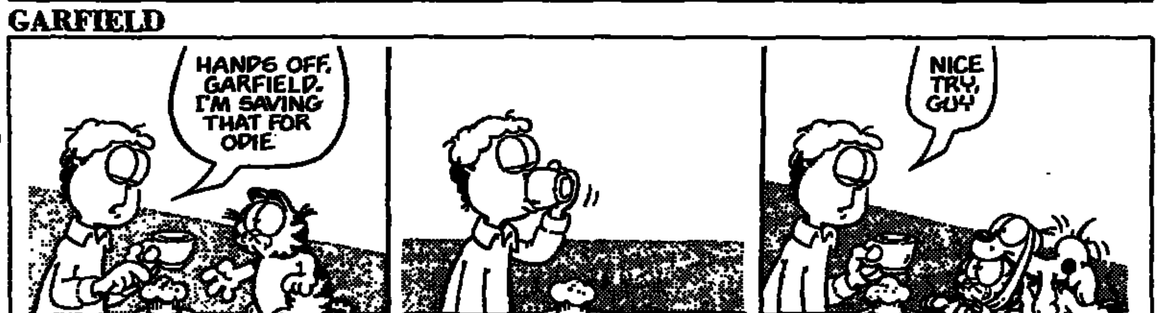
BEETLE BAILEY

ANDY CAPP

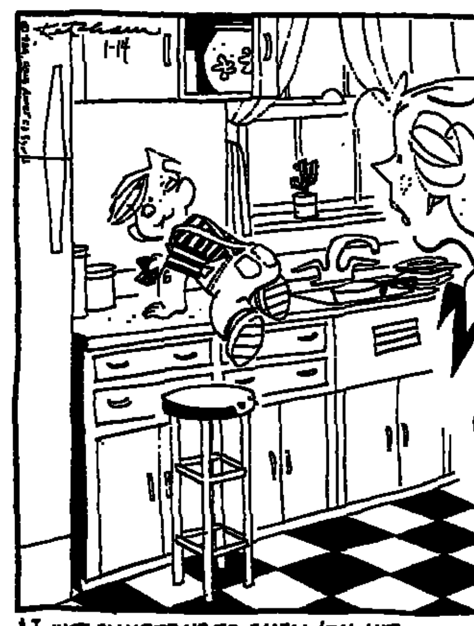
WIZARD of ID

REX MORGAN

GARFIELD



DENNIS THE MENACE



"I JUST CLIMBED UP TO SMELL 'EM AND MY TOOTH GOT CAUGHT IN ONE."

JUMBLE® THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SITOC

ZYZUF

DAIMWY

BRAGLE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: Print answer here: " ◯◯◯◯◯◯ "

(Answers tomorrow)

Yesterday's | Jumbles: ADMIT BRAIN GUZZLE PRIMER
Answer: The joke told by the tramp turned out to be this—A "BUMMER"

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Algarve	17	63	9	48	fr
Amsterdam	8	46	5	41	r
Athens	12	54	7	45	cl
Barcelona	14	57	4	39	cl
Belgrade	5	41	-4	25	fr
Berlin	4	39	3	37	r
Brussels	10	50	5	41	o
Bucharest	-4	25	-7	19	o
Budapest	2	36	-6	21	cl
Copenhagen	3	37	2	36	fr
Costa Del Sol	17	63	8	46	fr
Dublin	11	52	9	48	r
Edinburgh	9	48	5	41	r
Florence	6	43	-4	25	cl
Frankfurt	7	45	2	36	r
Geneva	3	37	2	36	r
Helsinki	-3	27	-6	21	sw
Istanbul	5	41	2	36	cl
Las Palmas	21	70	17	63	o
Lisbon	8	46	7	45	fo
London	10	50	5	41	o
Madrid	7	45	-2	28	fr
Milan	4	39	-4	25	o
Moscow	-13	9	-17	1	sw
Munich	3	37	1	34	sw
Nice	14	57	5	41	fr
Oslo	-1	30	-5	23	fr
Paris	11	52	5	41	o
Prague	1	34	0	32	sw
Reykjavik	4	39	-4	25	r
Rome	14	57	1	34	fr
Stockholm	1	34	1	34	o
Strasbourg	6	43	2	36	r
Venice	-1	30	-2	28	fo
Vienna	5	41	3	37	o
Warsaw	2	36	1	34	r
Zurich	1	34	1	34	sw

MIDDLE EAST

	HIGH C	HIGH F	LOW C	LOW F	
Ankara	2	36	-1	30	sw
Beirut	—	—	—	—	na
Damascus	11	52	5	41	o
Jerusalem	13	55	8	46	cl
Tel Aviv	18	64	10	50	cl

OCEANIA

	HIGH C	HIGH F	LOW C	LOW F	
Auckland	25	77	18	64	fr
Sydney	26	79	19	66	cl

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	30	86	20	68	cl
Beijing	1	34	-9	16	fr
Hong Kong	21	70	12	54	fr
Manila	29	84	21	70	cl
New Delhi	22	72	8	46	fr
Seoul	-2	28	-7	19	fr
Shanghai	12	54	0	32	fr
Singapore	31	88	21	70	o
Taipei	17	63	13	55	o
Tokyo	8	46	1	34	fr

AFRICA

	HIGH C	HIGH F	LOW C	LOW F	
Algiers	16	61	7	45	cl
Cairo	19	66	10	50	fr
Cape Town	28	82	18	64	cl
Casablanca	16	61	9	48	cl
Harare	26	79	15	59	cl
Lagos	30	86	23	73	cl
Nairobi	27	81	14	57	cl
Tunis	17	63	4	39	cl

LATIN AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	29	84	14	57	fr
Caracas	26	79	17	63	cl
Lima	28	82	20	68	o
Mexico City	16	61	4	39	fr
Rio de Janeiro	29	84	19	66	cl

NORTH AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	2	36	-5	23	pc
Atlanta	6	43	1	34	fo
Boston	3	37	-3	27	fo
Chicago	-6	21	-11	12	fr
Denver	16	61	-4	25	fr
Detroit	-6	21	-8	18	pc
Honolulu	27	81	19	66	fr
Houston	19	66	2	36	fr
Los Angeles	26	79	13	55	pc
Miami	21	70	14	57	pc
Minneapolis	-6	21	-13	9	pc
Montreal	6	43	-2	28	r
Nassau	23	73	19	66	pc
New York	1	34	1	34	pc
San Francisco	14	57	8	46	r
Seattle	11	52	5	41	r
Toronto	4	39	1	34	sw
Washington	4	39	-1	30	pc

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Heavy. FRANKFURT: Overcast. Temp. 8—2 (46—36). LONDON: Overcast. Temp. 11—6 (52—43). MADRID: Fair. Temp. 11—0 (52—32). NEW YORK: Fair. Temp. -4—-8 (25—18). PARIS: Rain. Temp. 10—7 (50—45). ROME: Cloudy. Temp. 13—2 (55—36). TEL AVIV: Na. ZURICH: Overcast. Temp. 4—2 (39—36). BANGKOK: Mist. Temp. 31—17 (88—63). HONG KONG: Fair. Temp. 19—14 (66—57). MANILA: Cloudy. Temp. 29—21 (84—70). SEOUL: Mist. Temp. -3—-7 (27—19). SINGAPORE: Thunderstorms. Temp. 28—23 (82—73). TOKYO: Fair. Temp. 8—0 (46—32).

BOOKS

GREED AND GLORY ON WALL STREET: The Fall of the House of Lehman

By Ken Auletta. 253 pages. Illustrated. $19.95. Random House, 201 East 50th Street, New York, N. Y. 10022.

Reviewed by Christopher Lehmann-Haupt

HOW did Lehman Brothers Kuhn Loeb, Wall Street's oldest and perhaps most distinguished continuing investment partnership, suddenly in 1984 get gobbled up by the financial supermarket then called Shearson-American Express, as if, to embroider one of Ken Auletta's more vivid metaphors, it were nothing more than a corner Piggly Wiggly store swimming in the way of the Great Atlantic and Pacific Tea Co.?

One day in the summer of 1983, Lewis L. Glucksman got fed up with Peter G. Peterson and told him to get out. Glucksman, a volatile, "rumpled man with the face of a Russian general," had made a fortune for the firm in the new go-go world of trading, as opposed to traditional financing.

Peterson, the secretary of commerce in the Nixon administration who had taken over as chairman of Lehman Brothers in 1973 and rebuilt the firm from near ruin, had rewarded Glucksman by promoting him to co-chief executive officer. But Glucksman felt he deserved more. He had grown outraged with what he perceived as Peterson's patronizing attitude, his aloof manner, and his tendency to favor the "bankers" in the firm over the "traders." So on July 13, 1983, he confronted Peterson and told him in so many words that he wanted the place to himself.

Why he was able to muster such seeming audacity, how and why Peterson decided to give in to Glucksman's demand, and the catastrophic consequences to the house of Lehman are recounted with estimable reportorial skill.

Paradoxically, that it is not an even more compelling drama is entirely to Auletta's credit. He has intentionally denied himself the new-journalistic luxuries of reconstructing past conversations or witnessing thought processes into which he has not been invited. Instead, he has relied on testimony given to him directly, even at the cost of slowing the narrative somewhat.

Second, he has told us too much about the principal antagonists, Glucksman and Peterson, to permit us to reduce "Greed and Glory" to a melodrama with heroes and villains. We come to understand the two men too well to root for, or hiss at, either.

Of course, there is some doubt that high drama could have been made of the story even if Auletta had breathed more heavily. One even has to wonder whether the subtitle "The Fall of the House of Lehman," with its echoes of Greek and Gothic tragedy, isn't a little much. Lehman Brothers had to fall in with the age of financial gigantism, and just because the transition was rancorous doesn't make it tragic.

This view is reflected at the end of "Greed and Glory," when Auletta steps back and announces, "The fall of the house of Lehman opens a window onto the turbulent changes taking place on Wall Street, and within capitalism." (O.K., so his metaphors aren't always so vivid.) "One school sees the sale of Lehman as inevitable," he continues, "brought about primarily by capital needs and institutional forces beyond the control of Pete Peterson, Lew Glucksman or any mere mortal. Individuals may have made mistakes that hastened what happened to Lehman by a year — or five — but to this way of thinking, the sale was inevitable because private partnerships that try to compete with financial superpowers are doomed."

There are conflicting views of course. But for the average reader, the depth of the Lehman tragedy is probably summed up best by the partner who said, "This is a tragedy because the business was not sold at the optimal time. Hence, the optimal price was not realized."

Christopher Lehmann-Haupt is on the staff of The New York Times.

Solution to Previous Puzzle

DITTO JAKE FARM
ADIOS ACAT OLEO
YELLOWBRICKROAD
SELL ABE EAGLE
RENE WING
AMON ROADTESTS
ASEAOF FRA TRI
MIDDLEOFTHEROAD
ODE ATE OROIDE
ROADSTERS LACE
VISA APED
STOOL IVO GONE
THEROADNOTTAKEN
ARIA BEER ONION
BULK COZY AGENA

1/14/86

Tretyakov Gallery in Moscow Closes for Repairs, Extension

Reuters

MOSCOW — The Tretyakov Gallery, a treasure house of Russian classical art, closed Sunday for major repair works and an extension, officials of the museum said.

The gallery, built in the 1890s to house the art collection donated to the city by Pavel Tretyakov, a merchant's son, could display only 5,000 of the 60,000 paintings, drawings, icons and sculptures, the staff said.

CHESS

By Robert Byrne

THE second world championship match game between Jan Timman, the Dutch grandmaster, and Mikhail Tal of the Soviet Union featured some heady gambit play by the Dutchman.

After having lain fallow for a long time, the thrust with 3 P-K4 has become popular in the last five years, chiefly because of the strength of the genuine gambit begining with 5 BxP. In any case, the obvious alternative with 5 QxP, QxQ; 6NxQ, B-QB4 yields White nothing.

Up through 10 . . . B-K3, the play had follwed a game between Yusupov and Adrian Mikhalchishin from the 1981 Russian championship, but instead of 11 BxB, PxB; 12 Q-N3, Timman experimented with the complicated 11 P-KR3, Q-K5; 12 B-Q3!?

Timman gave up a second pawn with 13 N-N5!?, but even though there were dangers everywhere, Tal should probably have taken it with 13 . . . QxKP. In any case, his attempt to be cautious with 13 . . . B-K2 soon backfired.

On 14 B-K4, it was too late for 14 . . . QxKP? because 15 R-K1, Q-B3; 16 BxNch, PxB; 17 NxB, PxN; 18 Q-R4, P-K4; 19 N-B3 is awfully strong for White.

After 14 . . . Q-Q2; 15 NxB, there was no choice about recapture, since 15 . . . PxN? permits 16 Q-R5ch, K-Q1; 17 R-Q1 with great superiority for White.

After 16 BxNch, Tal could have chosen 16 . . . QxB, but after 17 QxP, planning 18 N-B5, White's advantage is manifest.

Timman recovered his gambit pawn with 17 QxP and had a huge advantage in position and development.

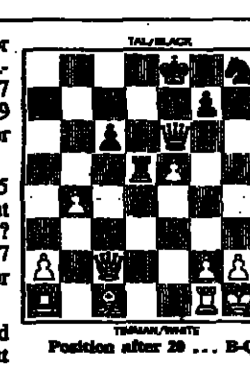
However, he just as quickly sacrificed another with 20 P-QN4!, so that on 20 . . . BxP he could bring a new gun to bear with 21 R-N1.

Tal gained no respite with 20 . . . B-Q5 because 21 N-B5! threatened the queen by 22 NxPch.

Tal bailed out of a middle-game disaster with 23 . . . QxN; 24 QxQ, B-R7ch; 25 KxB, QxQ, but on 26 QR-Q1!, which threatened 27 R-Q8mate, his end game was indefensible.

Since Timman's 28 R-QB1 set up the gain of both the black QBP and QRP with an easily won ending, Tal gave up.

TAL/BLACK



TIMMAN/WHITE

Position after 20 . . . B-Q5

QUEEN'S GAMBIT ACCEPTED

	White Timman	Black Tal		White Timman	Black Tal
1	P-Q4	P-Q4	15	NxB	QxN
2	P-QB4	PxP	16	BxNch	PxB
3	P-K4	P-K4	17	QxP	R-Q1
4	N-KB3	PxP	18	Q-R4	B-B4
5	BxP	B-N5ch	19	Q-B2	R-Q4
6	QN-Q2	N-QB3	20	P-QN4	B-Q5
7	O-O	Q-B3	21	N-B5	BxP
8	P-K5	Q-N3	22	R-K1	K-B1
9	N-R4	Q-N5	23	B-N2	QxN
10	N/2-B3	B-K3	24	QxQ	B-R7ch
11	P-KR3	Q-K5	25	KxB	RxQ
12	B-Q3	Q-Q4	26	QR-Q1	R-Q4
13	N-N5	B-K2	27	RxR	PxR
14	B-K4	Q-Q2	28	R-QB1	Resigns

World Stock Markets

Via Agence France-Presse Jan. 13

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	584	592
ACF Holding	304	303
Aegon	116.50	118.50
Akzo	153.50	155.40
Ahold	82	81.80
Amev	92.50	92.50
A'Dam Rubber	9.75	9.60
Amro Bank	111.20	114
BVG	249.50	248
Buehrmann T	137.50	139
Caland Hldg	31.30	31
Elsevier-NDU	180.50	178
Fokker	80.50	81.40
Gist Brocades	282	287
Heineken	225.50	224.50
Hoogovens	83.70	85.50
KLM	55.80	56.90
Naarden	62	63.50
Nat Neder	87.30	88
Nedlloyd	207.50	213.50
Oce Van der G	447	443.50
Pakhoed	85.50	88.70
Philips	59.40	60.10
Robeco	85	85.30
Rodamco	135	135
Rolinco	77.90	74
Rorento	46.80	46.40
Royal Dutch	179.70	181.30
Unilever	393	399.50
Van Ommeren	36.60	37.50
VMF Stork	284	284.50
VNU	303.70	304.50

ANP-CBS Gen'l Index : 238.20
Previous : 241.40

Brussels

	Close	Prev.
Arbed	2500	2520
Bekaert	8350	8450
Cockerill	182	188
Cobepa	4055	4055
EBES	3580	3620
GB-Inno-BM	4560	4660
GBL	2300	2345
Gevaert	4950	4930
Hoboken	5790	5790
Intercom	2920	2880
Kredietbank	10300	10850
Petrofina	6380	6450
Soc Generale	2125	2130
Sofina	8010	8010
Solvay	6300	6350
Traction Elec	4750	4800
UCB	5250	5300
Unerg	2125	2135
Vieille Montagne	6400	6300

Current Stock Index : 2772.94
Previous : 2788.63

Frankfurt

	Close	Prev.
AEG	309.50	301
Allianz Vers	2547	2460
Altana	415	431
BASF	275.10	275.50
Bayer	288	283
Bay. Hypo bank	612	615.50
Bay Vereinsbank	546	548
BBC	279	290
BHF-Bank	545	555
BMW	655	654
Commerzbank	348	344
Cont Gummi	182	181
Daimler-Benz	1365	1325
Degussa	465.80	459.50
Deutsche Babcock	221	220
Deutsche Bank	874.50	881
Dresdner Bank	456.50	442
GHH	248	243
Harpener	340	345
Hochtief	770	788
Hoechst	290	289.50
Hoesch	197	196.50
Horten	223	224
Hussel	450	452
IWKA	346	346
Kali + Salz	383	383
Karstadt	393	388
Kaufhof	382	380
Kloeckner H-D	372	369
Kloeckner Werke	124	117.50
Krupp Stahl	198	184.50
Linde	665	652
Lufthansa	252	262
MAN	241	245
Mannesmann	293.50	294.80
Muench Rueck	3800	3650
Nixdorf	598	597
PKI	740.50	734
Porsche	1346	1351
Preussag	277	274
PWA	154	151.50
RWE	207.90	210
Rheinmetall	540	535
Schering	646	650
SEL	332	331
Siemens	750	754.50
Thyssen	190	188.50
Veba	296.50	296
Volkswagenwerk	545.50	537.50
Wella	727	730

Commerzbank Index : 2065.90
Previous : 2080.50

Hong Kong

	Close	Prev.
Bk East Asia	25.60	25.30
Cheung Kong	21.30	21.50
China Light	14.50	16.20
Green Island	8.25	8.20
Hang Seng Bank	48.25	48
Henderson	2.185	2.15
China Gas	14.70	14.80
HK Electric	8.70	8.70
HK Realty A	12	12.10
HK Hotels	34.50	35.25
HK Land	6.70	6.75
HK Shang Bank	8	7.95
HK Telephone	10.90	11
HK Yaumatei	3.975	3.90
HK Wharf	7.60	7.65
Hutch Whampoa	28.20	28.50
Hysan	0.71	0.70
Jardine	13.40	13.50
Jardine Sec	15.10	15.10
Kowloon Motor	10.40	10.50
Miramar Hotel	45	45.50
New World	7.10	7.10
SHK Props	13	13
Stelux	2.025	2.10
Swire Pacific A	37.50	32
Tai Cheung	1.99	1.99
Wah Kwong	0.85	0.80
Wing On Co	1.62	1.62
Wintor	5.90	5.85
World Int'l	2.75	2.775

Hang Seng Index : 1797.41
Previous : 1807.94

Johannesburg

	Close	Prev.
AECI	950	940
Anglo American	3650	3900
Anglo Am Gold	22000	22500
Barlows	1450	1485
Blyvoor	1450	1450
Buffels	8300	8500
De Beers	1470	1745
Driefontein	5300	5200
GFSA	4150	N.A.
Harmony	3800	3860
Hiveld Steel	395	400
Kloof	2540	2600
Nedbank	905	885
Pres Steyn	5900	5975
Rusplat	2725	2825
SA Brews	890	900
St Helena	4300	4275
Sasol	870	885
West Holding	7500	7650

Composite Stock Index : 1349.30
Previous : 1388.60

London

	Close	Prev.
AA Corp	$17¾	$11⅞
Allied-Lyons	340	343
Anglo Am Gold	$71	$70
Ass Brit Foods	256	258
Ass Dairies	136	138
Barclays	452	457
Bass	640	648
B.A.T.	322	310
Beecham	339	338
BICC	250	250
BL	32	32
Blue Circle	568	570
BOC Group	281	283
Boots	238	244
Bowater Indus	285	285
BP	540	543
Brit Home St	288	295
Brit Telecom	188	190
Brit Aerospace	448	461
Britoil	198	201
BTR	366	372
Burmah	299	297
Cable Wireless	575	578
Cadbury Schw	144	150
Charter Cons	196	198
Commercial U	233	237
Cons Gold	464	469
Courtaulds	193	195
Dalgety	228	221
De Beers £	548	545
Distillers	535	531
Driefontein	$17	$17⅛
Fisons	423	428
Free St Ged	$21⅜	$21⅝
GEC	174	174
Gen Accident	710	715
GKN	266	264
Glaxo £	15 13/64	15 11/32
Grand Met	370	376
GRE	753	755
Guinness	305	313
GUS	900	910
Hanson	197	197
Hawker	437	437
ICI	741	749
Imperial Group	244	244
Jaguar	339	342
Land Securities	283	288
Legal General	714	717
Lloyds Bank	472	474
Lonrho	225	224
Lucas	498	501
Marks and Sp	170	170
Metal Box	355	348
Midland Bank	432	429
Nat West Bank	684	689
P and O	438	441
Pilkington	328	328
Plessey	174	172
Prudential	782	787
Racal Elect	174	176
Randfontein	$32	$31½
Rank	437	447
Reed Intl	659	661
Reuters	366	352
Royal Dutch £	44 47/64	
RTZ	519	522
Saatchi	785	765
Sainsbury	362	364
Sears Holdings	106½	108
Shell	670	673
STC	104	104
Std Chartered	434	427
Sun Alliance	563	573
Tate and Lyle	533	533
Tesco	288	288
Thorn EMI	399	407
T.I. Group	357	357
Trafalgar Hse	324	322
THF	154	148
Ultramar	201	205
Unilever £	13 13/64	12 19/64
United Biscuits	234	222
Vickers	308	308
Woolworth	480	486

F.T. 30 Index : 1108.80
Previous : 1119.80
F.T.S.E. 100 Index : 1384.60
Previous : 1393.00

Milan

	Close	Prev.
Banca Comm	25400	25000
Cigahotels	12280	12380
Cred Ital	3251	3310
Eridania	12650	12600
Farmitalia	17290	17110
Fiat	5926	5845
Generali	98550	98800
IFI	14150	14120
Italcementi	50400	49150
Italgas	2255	2265
Italmobiliari	97000	95250
Mediobanca	132000	130300
Montedison	2897	2795
NBA	3860	3855
Olivetti	9350	9020
Pirelli	3490	3379
RAS	151200	148050
Rinascente	965	957
SIP	2701	2690
SME	1359	1349
Snia	5483	5397
Standa	15800	15550
Stet	3711	3710

MIB Current Index : 1018
Previous : 1005

Paris

	Close	Prev.
Air Liquide	625	644
Alsthom Atl.	426.10	420
Av Dassault	1240	1266
Bancaire	881	897
BIC	525	525
Bongrain	1570	1780
Bouygues	1019	1070
BSN-GD	2790	2848
Carrefour	2950	3210
Chargeurs	738	757
Club Med	483	493
Darty	2240	2280
Dumez	1155	1148
Elf-Aquitaine	206	215
Europe 1	1128	1155
Gen Eaux	905	925
Hachette	1570	1570
Lafarge Cop	745	785
Legrand	2480	2448
Lesieur	713	721
l'Oreal	2970	2980
Martell	1661	1732
Matra	1678	1749
Merlin	2755	2790
Michelin	1710	1720
Moet Hennessy	2350	2355
Moulinex	70.30	73
Occidentale	717	721
Pernod Ric	858	885
Perrier	508	517
Peugeot	553	559
Printemps	459	471.50
Radiotechn	402	451
Redoute	2110	2118
Roussel Uclaf	1635	1650
Sanofi	693	726
Skis Rossignol	1290	1305
Telemecan	2810	2850
Thomson CSF	841	840
Total	296	314

CAC Index : 273.66
Previous : 275.30

Singapore

	Close	Prev.
Cold Storage	2.63	2.66
DBS	4.94	4.98
Fraser Neave	5.80	5.85
Haw Par	1.85	1.88
Inchcape	1.58	1.60
Malayan Banking	4.58	4.64
OCBC	7.25	7.40
OUB	2.50	2.57
OUE	N.Q.	2.08
Shangri-la	1.86	1.88
Sime Darby	1.50	1.51
S'pore Land	2.02	2.07
S'pore Press	5.90	5.80
S Steamship	N.Q.	0.66
St Trading	2.22	2.24
UOB	2.32	2.30
United Overseas	1.10	1.11

Straits Times Ind Index : 636.37
Previous : 638.06

Stockholm

	Close	Prev.
AGA	197	200
Alfa Laval	271	275
Asea	380	375
Astra	510	515
Atlas Copco	188	185
Boliden	195	192
Electrolux	216	219
Ericsson	242	240
Esselte	495	480
Handelsbanken	270	261
Pharmacia	189	194
Saab-Scania	568	560
Sandvik	730	740
Skanska	141	140
SKF	326	320
SwedishMatch	251	258
Volvo	340	335

Affaersvaerlden Index : 523.50
Previous : 517.50

Sydney

	Close	Prev.
ACI	3	3
ANZ	4.68	4.68
BHP	8.96	8.88
Boral	3.40	3.30
Bougainville	2.18	2.06
Castlemaine	8	8
Coles	4.55	4.58
Comalco	1.92	1.95
CRA	5.94	5.96
CSR	3.70	3.73
Dunlop	2.45	2.43
Elders Ixl	3.04	3
ICI Australia	2.32	2.30
Magellan	2.30	2.30
MIM	2.30	2.90
Myer	N.A.	2.40
Nat Aust Bank	4.75	4.75
News Corp	9.44	9.46
N Broken Hill	2.46	2.45
Poseidon	3	2.98
Qld Coal Trust	1.50	1.49
Santos	5.42	5.44
Thomas Nation	2.43	2.44
Western Mining	3.42	3.57
Westpac Banking	4.58	4.52
Woodside	1.30	1.30

All Ordinaries Index : 1051.30
Previous : 1044.20

Tokyo

	Close	Prev.
Akai	381	375
Asahi Chemical	789	781
Asahi Glass	896	893
Bank of Tokyo	740	745
Bridgestone	585	577
Canon	1100	1180
Casio	1730	1740
C.Itoh	441	435
Dai Nippon Print	1280	1290
Daiwa House	888	900
Daiwa Securities	745	755
Fanuc	7100	7210
Fuji Bank	1540	1530
Fuji Photo	1950	1960
Fujitsu	999	1020
Hitachi	735	742
Hitachi Cable	735	725
Honda	1190	1190
Japan Air Lines	9090	9230
Kajima	485	487
Kansai Power	2080	1990
Kawasaki Steel	134	135
Kirin Brewery	751	757
Komatsu	512	518
Kubota	348	352
Kyocera	4020	4150
Matsu Elec Inds	1230	1240
Matsu Elec Works	865	865
Mitsubishi Bank	1500	1460
Mitsubishi Chem	513	512
Mitsubishi Elec	350	348
Mitsubishi Heavy	358	363
Mitsubishi Corp	480	488
Mitsui and Co	476	480
Mitsukoshi	611	615
Mitsumi	801	820
NEC	1240	1260
NGK Insulators	890	895
Nikko Sec	682	690
Nippon Kogaku	976	1010
Nippon Oil	883	915
Nippon Steel	155	154
Nippon Yusen	309	318
Nissan	570	572
Nomura Sec	1040	1040
Olympus	1050	993
Pioneer	1650	1680
Ricoh	974	1000
Sharp	900	894
Shimazu	845	860
Shinetsu Chemical	850	850
Sony	3900	4000
Sumitomo Bank	1650	1640
Sumitomo Chem	245	243
Sumitomo Marine	649	658
Sumitomo Metal	140	148
Taisei Corp	319	312
Taisho Marine	511	518
Takeda Chem	987	985
TDK	4050	4190
Teijin	478	481
Tokio Marine	870	880
Tokyo Elec. Power	2780	2720
Toppan Printing	980	990
Toray Ind	509	510
Toshiba	360	365
Toyota	1290	1250
Yamaichi Sec	693	695

Nikkei 225 : 12977.82
Previous : 12778.21
New Index : 1029.25
Previous : 1029.96

Zurich

	Close	Prev.
Adia	4600	4600
Alusuisse	640	640
Autophon	6325	6300
Bank Leu	4500	4550
Brown Boveri	1770	1750
Ciba Geigy	4060	4120
Credit Suisse	3730	3750
Electrowatt	3500	3575
Interdiscount	3750	3725
Jacob Suchard	7500	7700
Jelmoli	3600	3670
Landis Gyr	2330	2340
Moevenpick	5350	5450
Nestle	8850	8700
Oerlikon-B	1510	1510
Roche Baby	13000	13025
Sandoz	1770	1790
Schindler	4250	4400
Sulzer	480	475
Surveillance	5900	5900
Swissair	1840	1820
SBC	577	581
Swiss Reinsurance	3625	2700
Swiss Volksbank	2510	2530
Union Bank	5280	5250
Winterthur	4295	4375
Zurich Ins	2800	2700

SBC Index : 626.30
Previous : 644.00

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto *Jan. 13*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
1268	Abiti Prce	$16	15⅞	15⅞	— ½
100	Acklands	$19½	19½	19½	+ ½
28400	Agnico E	$22¼	22⅛	22⅛	+ ⅛
7400	Alt Energy	$17	16¾	16¾	
6400	Alta Nat	$15¾	15½	15½	— ¼
1419	Algoma St	$20	19¾	19¾	
10187	A Barick o	$9⅞	9⅝	9¾	— ⅛
77184	Atco I f	$10½	10¼	10½	+ ⅛
2530	BP Canada	$30¼	30¼	30¼	+ ½
41695	Bank BC	$5⅞	5⅝	5⅞	
206697	Bank N S	$13⅞	13¾	13¾	— ⅛
9072	Bonanza R	385	380	380	
5350	Bralorne	330	320	320	— 5
3100	Bramalea	$18	17½	17⅞	— ½
7511	BCFP	$11⅛	11⅛	11⅛	— ¼
231440	BC Res	212	210	210	— 2
20647	BC Phone	$25⅛	24⅞	25⅛	+ ⅛
2550	Brunswk	$13⅝	13	13⅝	+ ¼
6700	Budd Can	$22⅛	21⅞	22⅛	+ ¼
23900	CAE	$17	16⅞	16⅞	— ½
100	CCL A	$16⅛	16⅛	16⅛	— ½
54820	CCL B f	$16⅛	16	16⅛	— ⅛
4818	Cad Frv	$15⅞	15½	15⅞	+ ⅜
5700	Campeau f	$24⅞	23⅞	24⅞	+ ⅛
32872	C Nor West	$24⅞	24⅞	24⅞	— ¼
2150	C Packrs	$34⅞	34	34⅞	+ ⅝
1500	Can Trust	$42	42	42	
1	C Tung	$8⅞	8⅞	8⅞	— ¼
78	CGE	$78	75⅞	78	
57504	CI Bk Com	$41⅞	40⅞	40⅞	— ⅜
207122	CTire A f	$11⅞	11⅜	11½	
1100	C Util B	$18¾	18¾	18¾	— ⅛
865	Cara	$19¾	19½	19½	— ¼
7790	Celanese	$11½	11⅛	11½	+ ⅛
200	Celan 175 p	$19⅜	19⅛	19⅛	— ½
3650	Centrl Tr	$14	13⅞	13⅞	— ⅛
64343	Cineplex	$11⅞	11½	11⅝	+ ⅛
800	C Distb A	$6	6	6	
22750	CDistb B f	$5¾	5⅝	5¾	
24210	CTL Bank	$10⅝	10⅛	10⅛	— ½
220	Conwest A	$7⅞	7⅞	7⅞	
4800	Coseka R	240	240	240	
8793	Conran A	$18	17⅞	17⅞	— ⅛
3780	Crownx	$22⅞	22⅞	22⅞	
14800	Czar Res	220	215	220	+ 9
19828	Daon Dev	490	480	480	— 10
2405	Denison A p	$14⅛	14¼	14⅛	— ⅝
24479	Denison B f	$13⅞	13⅛	13⅛	— ⅛
3200	Develcon	$5⅞	5	5⅛	
7714	Dicknsn A f	$8¾	8⅝	8¾	+ ¼
1614	Dicknsn B	$8⅝	8½	8½	
12785	Dofasco	$26¼	26	26⅛	— ½
900	Donohue	$18¼	18⅛	18⅛	
2790	Du Pont A	$28⅞	28⅛	28⅛	— ⅞
19600	Dylex A	$15⅛	15	15⅛	— ¼
4687	Elcthom X	$8	7¾	7¾	— ¼
700	Emco	$21⅞	21	21	— ⅝
10250	Equity Svr	$7⅞	7	7⅛	+ ⅛
1495	C Falcon C	$16½	16⅛	16⅛	+ ⅛
109655	Ficnbrdge	$20⅛	20⅛	20⅛	+ ⅛
12200	Fed Ind A	$13⅞	13½	13¾	
500	Fed Plan	$27	27	27	+ ¼
3650	F City Fin	$10⅞	10½	10½	
5345	Genstr A	$34¼	33⅞	33⅞	— ⅛
1100	Geac Comp	$7½	7⅛	7⅜	+ ⅛
2350	Gibraltar	$9⅝	9	9⅛	+ ⅛
12275	Goldcorp f	$7¾	7	7	
7280	GL Forest	$19⅞	19⅞	19⅞	+ ⅛
8580	Grayhnd	$24⅞	24⅜	24⅜	— ¼
250	Hawker	$21⅛	21⅛	21⅛	— ⅛
5415	Hayes D	$12	11⅞	11⅞	+ ⅛
2055	Hees Intl	$23⅞	23	23	— ⅛
13350	Hollinger I	$19½	19⅛	19⅛	
8410	H Bay Co	$22⅞	22⅛	22⅛	— ⅝
26250	Imasco	$26⅝	25⅞	26	— ⅝
2900	Indal	$19	18⅝	18⅝	
270	Inglis	$17	17	17	+ ½
7980	Inland Gas	$11⅛	11⅛	11⅛	— ⅛
118450	Intl Thom	$9⅞	9⅝	9⅞	— ⅛
3433	Inter Pipe	$42⅞	42⅝	42⅝	— ⅛
380	Ipsco	$13⅞	13⅞	13⅞	
100	Ivaco B	$18	18	18	— ⅜
9075	Jannock	$19⅞	19¼	19⅞	+ ⅛
300	Kelsey H	$28	28	28	
7307	Kerr Add	$16¾	16⅛	16⅝	
7790	Labatt	$28⅞	28⅜	28⅜	— 1⅛
13700	L Ont Cem	$19⅞	18⅞	18⅞	+ ⅛
6500	Lacana	$16⅛	16⅛	16⅛	+ ⅛
7225	Loblaw Co	$22⅛	22⅛	22⅛	— ⅛
42930	Lumonics	$17⅞	16⅝	17⅛	+ ⅛
100	MICC	400	400	400	+ 30
31512	Melon H X	$14⅞	14⅝	14⅝	— ⅛
3477	Moritime f	$14⅞	14⅝	14⅝	+ ⅛
3808	Merland E	315	310	315	
7497	Molson A f	$19⅞	19⅛	19⅛	— ⅛
1104	Molson B	$19⅞	19¼	19⅞	
501	Murphy	$22⅞	22⅛	22⅛	
308	Nabisco L	$29	29	29	— ⅛
22640	Noranda	$16	15¾	15⅞	— ⅛
4615	Norcen	$16⅛	16	16	— ⅛
115618	Nva AltA f	$7	6¾	6⅞	— ⅛
1100	Nowsco W	$17¼	17	17	
4500	NuWst sp A	38	37½	38	+ ½
400	Oakwood	$8¼	8¼	8¼	+ ⅛
4600	Omnibus o	299	290	290	— 1
22150	Oshawa A f	$33⅝	33¼	33⅝	— ⅛
4380	Pac W Airln	$14½	14⅛	14⅛	
2600	Pamour	$9¾	9⅝	9⅝	— ⅛
200	PanCan P	$31	31	31	
800	Pembina	$16	15⅞	15⅞	— ⅛
2200	Pine Point	$17¼	17	17	
152967	Placer	$24½	24⅛	24⅜	+ ⅛
3300	Que Sturg o	405	400	400	
4050	Rayrock f	$7½	7⅜	7⅜	
5418	Redpath	$16¼	16¼	16¼	+ ½
5631	ReedSt I Sp	$46	45½	45½	— ⅝
724	Rogers A	$12⅝	12⅛	12⅛	— ⅛
1108	Roman	$14¼	14	14¼	+ ¼
155480	Sceptre	435	425	435	
1300	Scotts f	$28½	28½	28½	
11223	Sears Can	$11⅛	11⅛	11⅛	— ⅛
17938	Shell Can	$23¼	22⅞	22⅞	
4400	Sherritt	$7¾	7⅝	7⅝	— ⅛
1000	Slater B f	$13	13	13	— ¼
5900	Southam	$16	15⅞	15⅞	— ⅛
43709	Spar Aero f	$22¼	21⅞	22⅛	
64130	Stelco A	$23½	23¼	23⅛	
6800	Sulpetro	174	165	174	+ 9
240	Steep R	285	285	285	— 1
2100	Tara	$16⅝	16½	16½	— ¼
800	Teck Cor A	$18	17⅞	18	+ ⅛
59156	Teck B f	$18⅝	18	18⅝	+ ⅛
63313	Tex Can	$29⅞	29¼	29⅝	
7500	Thom N A	$23	22⅞	22⅞	— ⅛
68964	Tor Dm Bk	$23⅜	22⅞	23⅛	— ¼
17450	Torstar B f	$34⅛	33⅞	33⅞	— ¼
1100	Traders A f	$28½	28½	28½	
2100	Trns Mt	$11⅞	11⅝	11⅝	+ ⅛
1200	Trinity Res	240	235	235	— 5
44822	TrnAlta UA	$27⅞	27	27⅛	+ ⅛
108459	TrCan PL	$20⅞	20½	20⅞	+ ⅛
4801	Trimac	315	305	305	
3345	Trilon A	$22	21½	21⅝	— ⅛
500	Trizec A f	$28⅛	28	28	— ½
60904	Turbo	48	47	47	— 1
2650	Unicorp A f	$8	7⅞	7⅞	+ ⅛
6257	U Entprise	$11⅞	11⅞	11⅞	+ ⅛
3149	U Keno	$9¼	9	9	— ¼
1200	Versil A f	405	405	405	
5100	Vestgron	340	335	335	— 5
2100	Wardair	$18⅞	18	18⅜	+ ⅛
581	Weldwod	$19⅞	19¼	19⅞	— ⅛
4700	Westmin	$11½	11¼	11¼	— ¼
900	Weston	$102	101¼	102	
13813	Woodwrd A	$7⅞	7⅛	7¼	+ ⅛
7200	Yk Bear	$7¼	7	7⅛	

Total sales 16,186,329 shares

	Close	Previous
TSE 300 Index:	2,811.70	2,817.30

Montreal *Jan. 13*

Sales	Stock	High	Low	Close	Chg.
58697	Bank Mont	$32⅞	32⅜	32⅝	— ⅛
4620	BombrdrA	$16¼	15⅞	16⅛	+ ⅜
31690	BombrdrB	$16⅛	15⅞	16	+ ½
1000	CB Pak	$23⅛	23⅛	23⅛	
45675	Cascades	$13	12½	12⅞	+ ⅜
37550	ConBath	$18½	18½	18½	
3785	DomTxtA	$14⅞	14⅝	14⅝	— ⅛
12805	Gaz Metro	$11⅛	11⅛	11⅛	
950	MntTrst	$15⅜	15⅜	15⅜	— ⅛
131917	NatBk Cda	$22⅞	22¼	22⅜	— ⅛
36120	Power Corp	$21⅞	21⅛	21⅞	+ ⅜
9244	Provigo	$16	15⅞	15⅞	+ ⅛
100	RollandA	$19	19	19	
36698	Royal Bank	$32	31⅞	31⅞	— ⅛
3100	RoyTrstco	$22	21⅞	21⅞	
5065	SteinbrgA	$34⅛	33⅞	34⅛	+ ⅛

Total Sales 3,320,428 shares.

	Close	Previous
Industrials Index:	119.48	119.70

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SPORTS

Reuters-United Press International

Just How Tough Were the Bears?

In their 24-0 rout of Los Angeles in Sunday's NFC championship game, Chicago limited the Rams to 86 yards rushing and held quarterback Dieter Brock — who was sacked three times and intercepted once — to 66 yards on 10-for-31 passing. Converging on Brock (5) late in the contest were William Perry (72), Dan Hampton (99), Richard Dent (under Hampton) and Otis Wilson (55). Brock somehow lost the ball. Who got it? Linebacker Wilbur Marshall (58, right), who picked it up and ran 52 yards for the game's final score.

Patriots Roar Past Dolphins, 31-14

Wild-Card AFC Titlists End Orange Bowl Loss Streak at 18

By Gary Pomerantz
Washington Post Service

MIAMI — Read it, Goliath, and weep: New England Patriots 31, Miami Dolphins 14.

"Pinch me," New England Coach Raymond Berry said afterward, "to see if it's real."

The penetrating truth is that the Patriots (14-5) won the American Conference title here Sunday to become the first wild-card National

NFL PLAYOFFS

Football League team in the modern era to reach the Super Bowl by winning three games on the road.

Only two other wild-card teams have ever reached the NFL title game. Dallas made it to Super Bowl X (losing to Pittsburgh) but only needed two playoff victories to get there. The wild-card Oakland Raiders reached Super Bowl XV (and beat Philadelphia), but won the first of three playoff games at home.

New England has conquered all circumstances, all climates. Down went the Jets in freezing New Jersey. Down went the Raiders in balmy Los Angeles. Down went the Dolphins in the rain. All three went the same way: from turnover to turnover and out.

So before you bet the house on a victory by the 17-1 Chicago Bears over the Patriots in Super Bowl XX on Jan. 26, think twice.

For the 13-5 Dolphins, Sunday's misadventure seemed too similar to last January's 38-16 Super Bowl loss to San Francisco: The defense against the run dissolved, the turnovers mounted and quarterback Dan Marino was a harried wreck. Said Marino: "Maybe we should have done something different."

New England ended an 18-game losing streak at the Orange Bowl by forcing six turnovers and converting them into 24 points. The Patriots have created 16 turnovers in three postseason games (against four of their own) and have turned them into 61 points.

New England quarterback Tony Eason threw three short touchdown passes agaist Miami and completed 10 of 12 throws for 71 yards, which was all he needed.

The Patriots had studied the way in which Cleveland had netted 251 rushing yards in a loss to Miami in the AFC semifinals and reacted by rotating their running backs to keep them fresh enough to thump the Dolphins with 59 rushes for 255 yards — 105 of them by Craig James.

"The only thing that went wrong for Cleveland was that their backs got tired," said running back Tony Collins. "I feel like I played about only one half today. I'm not even tired."

Think about how the Patriot special teams created a Dolphin-breaking turnover on the third-quarter kickoff and you'll understand why they call themselves the Special Effects. Magic: Now the game's close, now it's not.

"We've been coached to strip the ball. We've been fortunate in the playoffs. Call it luck or some phenomenon," said reserve receiver Greg Hawthorne, the special teamer who recovered Lorenzo Hampton's fumble of the second-half kickoff at the Miami 25. That was the game's breakaway play, one that allowed the Patriots' 10-point halftime lead to become 17 in a hurry.

In the other corner of the New England locker room, offensive tackle Brian Holloway said, "If you want to see phenomenal, take a look at our defense. If you want to see magic or aggression, just look at it."

The Patriots hustled to a 17-7 halftime edge and led 24-7 after three quarters. When Marino tried to rally his team in the second half, New England's defense wouldn't allow it. Too often, rookie defensive end Garin Veris or all-pro linebacker Andre Tippett was in Marino's face.

For the second time in three games this season, Marino failed to complete half of his passes against the Patriots. Ask any NFL defensive coordinator and he'll say that's an accomplishment.

In his final game of the season, Marino's numbers read: 20-for-48 passing for 248 yards, with two touchdowns — and two interceptions. He was sacked just once, but was often hurried into incompletions. Marino also lost a fumbled snap at his own 36, which New England soon converted into a second-quarter TD, Eason to tight end Derrick Ramsey for a one-yard score.

"It started on the first play we ran," said Miami Coach Don Shula about running back Tony Nathan's lost fumble — at the Miami 20, which the Patriots cashed into three points, "and we kicked the ball around on kickoff returns."

"It seemed like they scored almost every time we turned it over," Marino said.

Shula told his team at halftime that "we played about as bad as we can play and still had a chance to get back in the ballgame." Then Hampton came out and fumbled the kickoff, with Mosi Tatupu, the Patriot special teams' hit man, providing the sting.

Following the fumble, the Patriots showed their grit. Rather than attempt a 19-yard field goal (for a 20-7 lead) on 4th-and-goal from the two, Berry called for a play fake. "We'd practiced it for a month — thought it was time to try it," said Berry. Dolphin linebacker Robin Sendlein went for the fake, and Eason hit wide-open running back Robert Weathers for a touchdown and a 24-7 lead with 11:58 left in the third quarter.

Having rallied from an 18-point deficit for a 24-21 victory over Cleveland a week earler, the Dolphins tried again. It helped when New England punt returner Roland James (playing in place of injured Irving Fryar) lost a fumble that Miami recovered at the Patriot 10 on the third play of the fourth quarter.

On the next play, Marino lasered a touchdown pass to running back Tony Nathan; suddenly it was 24-14, with 14:33 yet to play. Could Marino do it again? The rain was falling hard now. The Patriot offense failed and went out in three plays. With 12:47 left, the Orange Bowl percolated.

But only until Miami running back Joe Carter lost a fumble two plays later. New England's venerable Julius Adams, the 37-year-old defensive tackle, recovered at the Miami 45.

It seemed like two blinks later that Tatupu ran wide left for a one-yard score and the final 31-14 lead. Only 7:34 remained. Game — and 18-game jinx — over.

Never mind that Shula hadn't lost a conference title game in five previous attempts with Miami. You saw the Dolphins at their most futile when kicker Fuad Reveiz missed a 31-yard field goal in the second quarter, and then slapped linebacker Don Blackmon in the face mask when Blackmon whispered something that Reveiz took as a taunt.

You now saw the Patriots at their best. They have lost just twice in 13 games — to the Jets and Dolphins. Both of those defeats have now been avenged. New England also lost to Chicago, 20-7, in the second week of the season. "I'd like to get that one back, too," Collins said.

AP

AP

Quarterback Dan Marino (left) fumbled away a first-half snap at the Miami 36, setting up a Patriot touchdown. Craig James of New England was the game's top rusher with 105 yards.

Savard's Quick Goal Helps Hawks Down Whalers

Compiled by Our Staff From Dispatches

CHICAGO — As fast as you can say Denis Savard and Claude Provost, the Chicago Black Hawks were on the scoreboard. Savard scored a goal off a face-off just four

NHL FOCUS

seconds into the third period Sunday night, tying Provost's 29-year-old National Hockey League record for the fastest goal at the start of a period and lifting the Black Hawks to a 4-2 victory over the Hartford Whalers.

"Having grown up in Montreal, I used to admire Provost as one of the great defensemen and hard workers," Savard, a prolific scorer, said. "After winning the face-off, I noticed Dave Babych had given me some room but was about to cut off my angle, so I shot from the top of the faceoff circle and made it."

Savard equaled the mark set by Provost for the Montreal Canadiens against Boston on Nov. 9, 1957. Along with his 198th career goal, Savard added an assist as Chicago posted its 11th victory in 13 games.

Elsewhere Sunday night, Philadelphia shut out Calgary, 3-0, and the New York Rangers and St. Louis Blues skated to a 2-2 tie.

Savard's 25-foot wrist shot, which gave the Black Hawks a 3-1 lead, came with both teams playing a man short. After Hartford blew several scoring chances, Ray Ferraro's 14th goal of the season at 7:17 of the third period cut the deficit to 3-2. Ferraro had tied the score, 1-1, with 18 seconds left in the first period.

The Black Hawks had taken a 1-0 lead at 13:18 of the opening period when Steve Ludzik tipped in a long blast by Marc Bergevin for his fourth goal of the season. Following Ferraro's first goal, Chicago regained the lead at 4:32 of the second period.

Steve Larmer tallied his 16th of the year on a power play after taking a pass from Savard, who has at least one point in each of his last 17 games. *(AP, UPI)*

Jazz, Minus Dantley, Defeat Spurs to Snap a 5-Game Slide

The Associated Press

SAN ANTONIO, Texas — One game can make a big difference. The Utah Jazz had lost five straight contests and 10 of their last 11, but their aspirations are lofty after a 106-102 victory here Sunday night over the San Antonio Spurs.

"We broke our losing streak tonight, and we're out to break Houston's winning streak Tuesday," said forward Thurl Bailey, whose 20 points paced Utah's victory. The Rockets, sitting atop the National Basketball Association's Midwest Division with a 25-12 record, have

NBA FOCUS

won all 20 of their home games this season and will host Utah on Tuesday night.

Forward Karl Malone and guard John Stockton added 17 points each for the winners, with guard Bob Hansen contributing 13 and center Mark Eaton 10.

The Jazz broke back into the winning column without Adrian Dantley, the league's leading scorer, who is not on this road trip because of a hip pointer.

But Bailey and Malone led the way as the Jazz erased an early deficit and pulled away in the second half. But after Utah's margin grew to 97-86 late in the game, it had to repel a late charge. The Spurs ran off nine straight points to cut the lead to 97-95, but Hansen connected on a 10-foot jumper to end the drought; the Jazz then moved the ball inside to Bailey, who buried two clutch jump shots.

"Despite our losing streak, we've played some really good games, even on the road," said the winners' coach, Frank Layden.

"Give Utah credit," said the Spurs' coach, Coach Cotton Fitzsimmons. "They played well — they made the key shots and we didn't. Utah is a very good young team with Malone and Bailey. We didn't even make our free throws."

Reuters

NO RACING — Workers in Garmisch-Partenkirchen, West Germany, removed the gate flags after a men's World Cup giant slalom was canceled Monday because of high winds and blowing snow. Meanwhile, a women's downhill set for Friday and a Saturday giant slalom were shifted to Puy St. Vincent, France, because of lack of snow in Pfronten, West Germany. Not halfway through the cup season, six women's races have been switched to other sites and two have been postponed with no makeup venues announced. Three men's events have been wiped out; four have been moved on short notice.

SCOREBOARD

Basketball

Selected U.S. College Conference Standings

(THROUGH JAN. 11)

BIG TEN	Conf. W	Conf. L	Conf. Pct.	All W	All L	All Pct.
Michigan	4	0	1.000	16	0	1.000
Purdue	3	1	.750	14	3	.824
Ohio St.	3	1	.750	9	4	.692
Iowa	2	1	.667	12	4	.750
Indiana	2	2	.500	10	4	.714
Michigan St.	1	2	.333	10	3	.769
Illinois	1	2	.333	10	4	.714
Wisconsin	1	2	.333	9	4	.692
Minnesota	0	3	.000	10	6	.625
Northwestern	0	3	.000	6	7	.462
SOUTHEASTERN						
Kentucky	3	1	.750	12	2	.857
Florida	3	1	.750	8	4	.667
Auburn	3	1	.750	9	5	.643
Louisiana St.	2	2	.500	14	2	.875
Alabama	2	2	.500	9	4	.692
Georgia	2	2	.500	9	4	.692
Tennessee	2	2	.500	9	4	.692
Vanderbilt	2	2	.500	8	5	.615
Mississippi	1	3	.250	8	5	.615
Mississippi St.	0	4	.000	3	10	.231
ATLANTIC COAST						
Duke	3	0	1.000	14	0	1.000
Georgia Tech	3	0	1.000	14	1	.933
N. Carolina	2	0	1.000	16	0	1.000
Clemson	1	1	.500	13	2	.867
Virginia	1	2	.333	10	4	.714
N. Carolina St.	1	2	.333	9	5	.643
Maryland	0	2	.000	10	4	.714
Wake Forest	0	4	.000	6	9	.400
BIG EAST						
Syracuse	4	0	1.000	13	0	1.000
St. John's	3	1	.750	15	2	.882
Villanova	2	1	.667	10	7	.588
Georgetown	2	2	.500	11	3	.786
Boston College	2	2	.500	10	4	.714
Pittsburgh	2	2	.500	10	4	.714
Connecticut	1	2	.333	9	3	.750
Providence	0	3	.000	8	6	.571
Seton Hall	0	3	.000	9	7	.563
PACIFIC-10						
Oregon St.	3	0	1.000	7	4	.636
Arizona	2	0	1.000	10	4	.714
Washington	3	1	.750	9	7	.563
California	2	1	.667	10	3	.769
UCLA	2	2	.500	7	4	.636
Stanford	2	2	.500	8	8	.500
Arizona St.	1	2	.333	7	6	.538
Washington St.	1	3	.250	8	9	.471
Southern Cal	1	3	.250	6	7	.462
Oregon	0	3	.000	5	8	.385
SOUTHWEST						
Texas	4	0	1.000	9	6	.600
Texas A&M	3	0	1.000	9	6	.600
Texas Tech	3	0	1.000	8	6	.571
Texas Christian	3	1	.750	11	4	.733
So. Methodist	2	1	.667	10	4	.714
Rice	1	3	.250	7	7	.500
Houston	0	3	.000	6	7	.462
Arkansas	0	4	.000	8	6	.571
Baylor	0	4	.000	8	7	.533
BIG EIGHT						
Iowa St.	1	0	1.000	10	4	.714
Oklahoma	0	0	.000	15	0	1.000
Kansas	0	0	.000	14	2	.875
Kansas St.	0	0	.000	12	3	.800
Nebraska	0	0	.000	10	3	.769
Oklahoma St.	0	0	.000	9	4	.692
Colorado	0	0	.000	8	5	.615
Missouri	0	1	.000	13	5	.722
MISSOURI VALLEY						
Bradley	3	0	1.000	15	1	.938
Tulsa	2	1	.667	12	3	.800
Illinois St.	2	1	.667	6	7	.462
Drake	2	2	.500	10	5	.667
West Texas St.	2	2	.250	8	6	.571
Indiana St.	1	2	.333	7	5	.583
Wichita St.	1	2	.333	8	6	.571
Creighton	1	2	.333	5	7	.417
So. Illinois	0	2	.000	4	10	.286
METRO COLLEGE ATHLETIC						
Memphis State	2	0	1.000	15	0	1.000
Virginia Tech	2	0	1.000	13	2	.867
Florida State	1	0	1.000	7	5	.583
South Carolina	1	2	.333	8	6	.571
Cincinnati	1	2	.333	5	8	.385
Louisville	0	1	.000	8	4	.667
Southern Miss	0	2	.000	8	5	.615
ATLANTIC 10						
West Virginia	4	0	1.000	8	5	.615
St. Joseph's	4	1	.800	9	2	.818
Temple	2	1	.667	10	2	.833
St. Bonaventur	3	2	.600	8	5	.615
Duquesne	2	2	.500	7	4	.636
Rhode Island	2	2	.500	6	7	.462
Massachusetts	2	2	.500	4	8	.333
Penn St.	2	3	.400	7	6	.538
Geo. Washngtn	0	3	.000	5	7	.417
Rutgers	0	5	.000	5	9	.357
SUN BELT						
Ala.-Brmnghm	3	0	1.000	15	2	.882
Jacksonville	1	0	1.000	10	4	.714
South Alabam	1	0	1.000	12	5	.706
W. Kentucky	1	1	.500	10	3	.769
Old Dominion	1	1	.500	5	4	.556
South Florida	1	2	.333	8	6	.571
N.C. Charlotte	0	2	.000	5	7	.417
Va. Cmmnwlth	0	2	.000	2	9	.182
PACIFIC COAST ATHLETIC ASSOC.						
Nev-Las Vegas	3	0	1.000	14	2	.875
New Mexic St.	3	0	1.000	9	3	.750
Cal-Irvine	3	1	.750	7	6	.538
Fresno St.	2	1	.667	9	5	.643
Fullerton St.	2	2	.500	9	7	.563
San Jose St.	2	3	.400	9	5	.643
Cal-Santa Barb	2	3	.400	7	7	.500
Pacific	1	3	.250	8	7	.533
Long Bech St.	0	3	.000	4	10	.286
Utah St.	0	4	.000	4	9	.308
WEST COAST ATHLETIC						
Pepperdine	0	0	.000	12	3	.800
Portland	0	0	.000	10	4	.714
San Diego	0	0	.000	10	4	.714
Loyola, Calif.	0	0	.000	8	6	.571
Gonzaga	0	0	.000	7	6	.538
St. Mary's	0	0	.000	7	6	.538
San Francisco	0	0	.000	5	9	.357
Santa Clara	0	0	.000	5	9	.357
WESTERN ATHLETIC						
Texas El-Paso	3	1	.750	14	2	.875
Colorado St.	3	1	.750	7	8	.467
New Mexico	3	1	.750	11	5	.688
Utah	2	2	.500	10	5	.667
Brigham Yong	2	2	.500	5	9	.357
San Diego St.	2	2	.500	3	11	.214
Wyoming	1	1	.500	7	7	.500
Air Force	1	3	.250	7	8	.467
Hawaii	0	4	.000	3	12	.200
IVY LEAGUE						
Pennsylvania	2	0	1.000	7	3	.700
Princeton	2	0	1.000	7	6	.538
Cornell	1	0	1.000	6	7	.462
Dartmouth	1	2	.333	2	8	.200
Brown	0	0	.000	6	5	.545
Yale	0	0	.000	4	6	.400
Columbia	0	1	.000	6	7	.462
Harvard	0	3	.000	3	10	.231

INDEPENDENTS

	W	L	Pct.
Notre Dame	9	1	.900
Dayton	9	4	.692
DePaul	9	4	.692
Marquette	9	4	.692
Chicago St.	11	5	.688
E. Washington	11	6	.647

Top-20 Results

How the top 20 teams in The Associated Press college basketball poll fared last week:

No. 1 North Carolina (16-0) def. Fordham 92-68; def. Wake Forest 89-65.

No. 2 Michigan (16-0) def. Illinois 61-59; def. Purdue 75-71.

No. 3 Duke (14-0) def. St. Louis 84-58; def. North Carolina St. 74-64.

No. 4 Syracuse (13-0) def. Villanova 80-57; def. Fairfield 90-67; def. Pittsburgh 78-68.

No. 5 Georgia Tech (14-1) def. Wake Forest 72-58; def. Rutgers 85-46; def. Maryland 68-67.

No. 6 Memphis State (15-0) def. South Carolina 89-81; def. Louisville 73-71; def. Arkansas St. 87-64.

No. 7 Oklahoma (15-0) def. Denver 109-64; def. Chicago St. 98-73.

No. 8 Louisiana State (14-2) lost to Alabama 82-67; lost to Tennessee 80-77.

No. 9 Kansas (14-2) def. Detroit 60-51; def. Southern Methodist 72-56.

No. 10 St. John's (15-2) lost to Boston College 79-77, OT; def. Georgetown 79-74.

No. 11 Kentucky (12-2) lost to Auburn 60-56; def. Mississippi 75-58; def. Alabama 76-52.

No. 12 Nevada-Las Vegas (15-2) def. Pacific 85-80; def. Fresno St. 68-53.

No. 13 Georgetown (11-3) def. Connecticut 78-66; lost to St. John's 79-74.

No. 14 Alabama-Birmingham (15-2) def. South Florida 57-48, def. Virginia Commonwealth 72-70, OT.

No. 15 Texas-El Paso (14-2) def. Air Force 48-54; lost to Wyoming 63-62, OT.

No. 16 Notre Dame (9-1) def. Providence 78-72; def. DePaul 70-54.

No. 17 Louisville (8-4) def. Eastern Kentucky 86-55; lost to Memphis St. 73-71.

No. 18 Illinois (10-5) lost to Michigan 61-59; lost to Michigan St. 58-51.

No. 19 Virginia Tech (12-2) def. Southern Mississippi 88-72; def. South Carolina 71-69.

No. 20 Purdue (14-3) def. Michigan St. 88-83; lost to Michigan 75-71.

Selected College Results

EAST

Alfred 74, Clarkson 69, 2OT
Case Western 78, John Carroll 76

MIDWEST

Michigan St. 58, Illinois 51

FAR WEST

Arizona 79, California 72, 2OT
Colorado Col. 89, N. Mex. Highlands 84, OT
Hawaii Pacific 115, Alaska-Juneau 63
Nev.-Las Vegas 68, Fresno St. 53

TOURNAMENTS

Championship: Rochester 68, Washington, Mo. 60
Third Place: Bowdoin 71, Franklin & Marshall 65

Cortland St. Invitational

Championship: Cortland St. 56, Fredonia St. 54
Third Place: Stony Brook 96, Baruch 72

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct.	GB
Boston	27	8	.771	—
Philadelphia	24	13	.649	4
New Jersey	23	15	.605	5½
Washington	17	20	.459	11
New York	12	24	.333	15½
Central Division				
Milwaukee	26	13	.667	—
Atlanta	19	16	.543	5
Cleveland	16	21	.432	9
Detroit	16	21	.432	9
Chicago	15	23	.395	10½
Indiana	10	26	.278	14½

WESTERN CONFERENCE

Midwest Division	W	L	Pct.	GB
Houston	25	12	.676	—
Denver	22	14	.611	2½
San Antonio	21	17	.553	4½
Dallas	17	16	.515	6
Utah	18	21	.462	8
Sacramento	13	24	.351	12
Pacific Division				
L.A. Lakers	29	6	.829	—
Portland	23	18	.561	9
Seattle	15	22	.405	15
Phoenix	13	21	.382	15½
L.A. Clippers	12	26	.316	18½
Golden State	12	28	.300	19½

SUNDAY'S RESULT

Utah 27 34 23 22—106
San Antonio 30 30 18 24—102

Bailey 9-19 2-2 20, Malone 8-12 1-4 17, Stockton 6-8 5-6 17; Mitchell 9-17 4-4 22, Gilmore 6-11 7-12 19. Rebounds: Utah 46 (Eaton 8); San Antonio 54 (Gilmore 16). Assists: Utah 31 (Green 8); San Antonio 23 (Matthews 7).

Football

NFL Playoffs

FIRST ROUND

Dec. 28: New England 26, N.Y. Jets 14
Dec. 29: N.Y. Giants 17, San Francisco 3

SECOND ROUND

Jan. 4

Miami 24, Cleveland 21
L.A. Rams 20, Dallas 0

Jan. 5

Chicago 21, N.Y. Giants 0
New England 27, L.A. Raiders 20

CONFERENCE CHAMPIONSHIPS

Jan. 12

Chicago 24, L.A. Rams 0
New England 31, Miami 14

SUPER BOWL XX

(Jan. 26, at New Orleans)

Chicago vs. New England

Conference Champions

NATIONAL CONFERENCE

(Includes NFL Title Games)

1933—Chicago Bears 23, New York 21
1934—New York 30, Chicago Bears 13
1935—Detroit 26, New York 7
1936—Green Bay 21, Boston 6
1937—Washington 28, Chicago Bears 21
1938—New York 23, Green Bay 17
1939—Green Bay 27, New York 0
1940—Chicago Bears 73, Washington 0
1941—Chicago Bears 37, New York 9
1942—Washington 14, Chicago Bears 6
1943—Chicago 41, Washington 21
1944—Green Bay 14, New York 7
1945—Cleveland 15, Washington 14
1946—Chicago Bears 24, New York 14
1947—Chicago Cardinals 28, Philadelphia 21
1948—Philadelphia 7, Chicago Cardinals 0
1949—Philadelphia 14, Los Angeles 0
1950—Cleveland 30, Los Angeles 28
1951—Los Angeles 24, Cleveland 17
1952—Detroit 17, Cleveland 7
1953—Detroit 17, Cleveland 16
1954—Cleveland 56, Detroit 10
1955—Cleveland 38, Los Angeles 14
1956—New York 47, Chicago Bears 7
1957—Detroit 59, Cleveland 14
1958—Baltimore 23, New York 17, OT
1959—Baltimore 31, New York 16
1960—Philadelphia 17, Green Bay 13
1961—Green Bay 37, New York 0
1962—Green Bay 16, New York 7
1963—Chicago 14, New York 10
1964—Cleveland 27, Baltimore 0
1965—Green Bay 23, Cleveland 12
1966—Green Bay 34, Dallas 27
1967—Green Bay 21, Dallas 17
1968—Baltimore 34, Cleveland 0
1969—Minnesota 27, Cleveland 7
1970—Dallas 17, San Francisco 10
1971—Dallas 14, San Francisco 3
1972—Washington 26, Dallas 3
1973—Minnesota 27, Dallas 10
1974—Minnesota 14, Los Angeles 10
1975—Dallas 37, Los Angeles 7
1976—Minnesota 24, Los Angeles 13
1977—Dallas 23, Minnesota 6
1978—Dallas 28, Los Angeles 0
1979—Los Angeles 9, Tampa Bay 0
1980—Philadelphia 20, Dallas 7
1981—San Francisco 28, Dallas 27
1982—Washington 31, Dallas 17
1983—Washington 24, San Francisco 21
1984—San Francisco 23, Chicago 0
1985—Chicago 24, Los Angeles Rams 0

AMERICAN CONFERENCE

(Includes AFL Title Games)

1960—Houston 24, Los Angeles 16
1961—Houston 10, San Diego 3
1962—Dallas 20, Houston 17, OT
1963—San Diego 51, Boston 10
1964—Buffalo 20, San Diego 7
1965—Buffalo 23, San Diego 0
1966—Kansas City 31, Buffalo 7
1967—Oakland 40, Houston 7
1968—New York 27, Oakland 23
1969—Kansas City 17, Oakland 7
1970—Baltimore 27, Oakland 17
1971—Miami 21, Baltimore 0
1972—Miami 21, Pittsburgh 17
1973—Miami 27, Oakland 10
1974—Pittsburgh 24, Oakland 13
1975—Pittsburgh 16, Oakland 10
1976—Oakland 24, Pittsburgh 7
1977—Denver 20, Oakland 17
1978—Pittsburgh 34, Houston 5
1979—Pittsburgh 27, Houston 13
1980—Oakland 34, San Diego 27
1981—Cincinnati 27, San Diego 7
1982—Miami 14, New York 0
1983—Los Angeles 30, Seattle 14
1984—Miami 45, Pittsburgh 28
1985—New England 31, Miami 14

Hockey

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
Philadelphia	32	11	0	64	198	127
Washington	25	12	4	54	163	135
NY Islanders	18	15	9	45	170	153
Pittsburgh	18	20	5	41	163	162
NY Rangers	18	21	3	39	150	145
New Jersey	14	25	1	29	151	191
Adams Division						
Quebec	25	15	2	52	176	136
Montreal	23	15	4	50	195	155
Boston	19	16	7	45	164	151
Hartford	21	19	1	43	166	159
Buffalo	19	18	5	43	156	146

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts	GF	GA
Chicago	20	17	4	44	198	187
St. Louis	18	16	6	42	152	162
Minnesota	16	18	7	39	168	159
Toronto	11	24	5	27	160	191
Detroit	9	28	5	23	137	226
Smythe Division						
Edmonton	30	9	4	64	238	175
Calgary	18	20	3	39	167	162
Los Angeles	13	23	5	31	144	203
Vancouver	13	25	5	31	152	180
Winnipeg	13	26	5	31	148	206

SUNDAY'S RESULTS

Calgary 0 0 0—0
Philadelphia 1 2 0—3

Kerr (37), Howe (14), Propp (29). Shots on goal: Calgary (on Froese) 7-14-14—35; Philadelphia (on Vernon) 9-8-8—25.

St. Louis 1 1 0 0—2
N.Y. Rangers 2 0 0 0—2

Mullen (20), Hunter (26); Osborne (12), Sandstrom (15). Shots on goal: St. Louis (on Hanlon) 10-8-6-2—26; New York (on Wamsley) 19-11-6-0—36.

Hartford 1 0 1—2
Chicago 1 1 2—4

Ludzik (4), Larmer (16), Savard (28), Watson (8); Ferraro 2 (24). Shots on goal: Hartford (on Sauve) 16-9-10—35; Chicago (on Weeks) 12-11-6—29.

Transition

BASEBALL

American League

NEW YORK—Sent Dody Rather, pitcher, to the Houston Astros to complete the deal that sent Joe Niekro, pitcher, to the Yankees in September.

BASKETBALL

National Basketball Association

PHILADELPHIA—Traded Leon Wood, guard, to Washington for Kenny Green, guard.

FOOTBALL

National Football League

LEAGUE—Announced that Joe Montana, San Francisco quarterback; Eric Wright, San Francisco cornerback, and Doug Smith, L.A. Ram center, will not play in the Pro Bowl because to injuries. Added Jim McMahon, Chicago quarterback; Gary Green, L.A. Ram cornerback, and Fred Quillan, San Francisco center, to the Pro Bowl roster.

HOCKEY

National Hockey League

MONTREAL—Recalled Randy Bucyk, center, from Sherbrooke of the American Hockey League.

COLLEGE

AKRON—Hired Gerald Carr, coach of football wide receivers and tight ends.

ARIZONA STATE—Announced the resignation of Tim Kelly, pitching coach. Named Tom Pratt pitching coach.

FERRIS STATE—Named Joe Polizzi and Jim Williams assistant football coaches.

FLORIDA—Named Zaven Yaralian football defensive coordinator and Jim Dickey inside linebacker coach.

KANSAS—Promoted George Warhop and Joe Pannunzio to full-time assistant football coaches. Named Dave Dunkelberger defensive coordinator and middle linebacker coach, Louis West defensive secondary coach, Paul Alt running back coach, Jon Quarless offensive line coach, Robert Ford, wide receiver coach and Jim Cochron recruiting coordinator.

KANSAS STATE—Hired Mark Deal, football running back coach, and Dave Fiegal defensive line coach. Named Leo Brouhard recruiting coordinator.

MERCYHURST—Announced the resignation of Len Cyterski, athletic director, effective in June.

NORTHERN IOWA—Announced the resignation of Jim Berry, basketball coach, effective at the end of the season.

PORTLAND STATE—Named Ernest Allen football coach.

RUTGERS—Named Craig Johnson football offensive backfield coach.

SOUTH CAROLINA STATE—Named Dennis Thomas football coach.

Tennis

MEN'S TOURNAMENT

Singles Final

Ivan Lendl, Czechoslovakia, def. Jimmy Connors, U.S., 6-2, 6-3.

Doubles Final

Stefan Edberg, Sweden, and Anders Jarryd, Sweden, def. Kevin Curren, U.S., and Mark Dickson, U.S., 7-6, 5-7, 6-2.

WOMEN'S TOURNAMENT

(At Washington)

Semifinals

Martina Navratilova, U.S., def. Claudia Kohde-Kilsch, 7-5, 6-3.

Pam Shriver, U.S., def. Manuela Maleeva, Bulgaria, 6-3, 6-4.

ART BUCHWALD

Happy Computer Year

WASHINGTON — The envelopes with the little cellophane windows have been pouring into the house for three weeks. They're the computer bills from our Christmas binge.

Before computer billing I never doubted the charges. But now I feel differently. Computers lie. I'm not saying all computers lie, just as I'm not saying all credit managers tell the truth.

Buchwald

Take this bill from the Donation Department Store: "Six golf club mittens — $50.00."

Do you see anything wrong with that statement? Well, what would you say if I told you I have never bought golf club mittens in my life?

I called the Donation Department Store and was turned over to the credit division.

"I'm phoning about a set of golf mittens I didn't buy."

"You forgot you bought them. Most people do."

I wasn't going to let him bully me. "I didn't buy them and no one in our family bought them, because we don't play golf."

□

"What did your family buy in the sports department?"

"As far as I know, a tennis sweatband for my wife."

"Your wife plays tennis?"

"No, but it helps her to see better when she's working around the house."

"It's your word against the computer's. Who do you think I believe?"

"You have to take my word. I'm a customer."

"All you people who threw your money away like drunken sailors this Christmas would love to blame a computer. Ours never makes a mistake, but let's say for argument's sake it did. Our hands are tied. You can't expect us to go back into the system and rectify the error."

"Give me an alternative."

"We might let you have the mittens for $25."

"I *never* received any golf mittens. Why should I pay for them?"

"Because our computer says otherwise."

□

"Why don't you find the person who bought the golf club mittens and charge him?"

"We would if we could find her. But our computers are not programmed to separate the golfers from the tennis players."

"Do you admit this is the Donation Store's problem?"

"It is now yours. If you fail to pay, our computer will notify every computer in the world what a slimy credit card holder you really are. My advice is send in the $50 and be grateful you're not the victim of a serious mistake."

"Why can't you just pull my name and transaction out of the memory?"

"Our computer can't spend all its time tracking what a customer bought for Christmas."

□

"What's the solution?"

"We've found when a computer makes a mistake by charging for an item you didn't buy, it forgets to bill you for something you purchased. So it all evens out at the end of the year."

"For me?"

"No, for the computer. The only thing I can suggest is that you bring the golf mittens back and we'll give you a $50 credit."

"I don't have the mittens."

"No problem. I'll transfer you to the sports department and you can order them over the phone."

Sunken Sailing Ship Is Refloated in Canada

Agence France-Presse

KINGSTON, Ontario — The 128-year-old sailing ship Ciudad de Inca, which sank in a Lake Ontario storm on Dec. 27 at Kingston, was refloated in a salvage operation estimated at $50,000.

Divers using airbags and pumping gear with a capacity of up to 1.3 million liters (more than 300,000 gallons) an hour, worked for 12 hours Saturday to raise the ship, which is one of the oldest in the world to be still seaworthy. The Ciudad de Inca, which flies a British flag, took part in July 1984 in a festival of sailing ships on the Great Lakes.

Elmer Kelton and the New Western

By Robert Reinhold

New York Times Service

SAN ANGELO, Texas — Gritty cattle and sheep ranchers all over Texas know Elmer Kelton. He looks and talks like one of them, in his felt cowboy hat and boots, checking on the price of feeder steers and choice lambs at the livestock auctions.

What many of them do not know is that when the mild-mannered Kelton leaves his desk as associate editor of The Livestock Weekly, he mounts another horse as novelist of the American West.

The comeback of the Western novel has brought new prestige and respect to Kelton, who, at 60 and after 27 books, is regarded as one of the best of a new breed of Western writers who have driven the genre into new territory. His heroes are complex, often flawed, even unlikable. His books avoid violence; almost nobody is ever shot to death in a Kelton novel.

Poppy Pereira/The New York Times

Author Kelton: "I've tried to build on character rather than just action."

"I've tried to build on character rather than just action," Kelton said in his study here, crammed with memorabilia like the spurs from his younger days as a failed cowboy on the West Texas ranch his father managed. "I look for natural conflicts."

It is the bane of Kelton and other serious Western writers to share the obloquy of the genre's pulp origins and grade-B movie connotations. "This is the unfortunate inheritance of the old days of Zane Grey, in which Western writing is equated with bad writing," said A. C. Greene, the Dallas-based writer and literary critic. "It is a shame, because Elmer is a superb writer. You almost have to leave and quit writing about that type of life to be taken seriously."

Although Kelton's novels are often set in the modern West, and they touch on race and family relations, reviewers tend to lump them with traditional Westerns. For all his recognition, Kelton's income from fiction has exceeded his reporter's income in only three of the last 40 years.

His style is decidedly unfashionable, but he paints evocative pictures of his unforgiving native land with clean, forthright prose. In the best-selling book, "The Time It Never Rained," he describes the drought of the early 1930s:

"Winter wore on relentlessly with a constant series of cold, dry winds that droned a dusty dinge across the hills and prairies, robbing strength from thinning livestock, seeking out and stealing any vestige of moisture that might still cling in hidden places."

The hero of this book is Charlie Flagg, a proud rancher who would rather lose his spread than accept federal help. A subsidiary theme is the historic exploitation of Mexicans by the whites in Texas.

Like most of Kelton's characters, Charlie Flagg does not fit the bigger-than-life mold of most Western heroes. He is overweight, aging and a little paternalistic toward his Mexican-American help, but full of integrity and tenacity. He is real, and he is Elmer Kelton's favorite character.

"I borrowed a lot from my father for Charlie," Kelton said. "But I borrowed from a lot of other ranchers I knew in this area and on down in Sonora. I'd know him if he walked up to the door. He's just that real."

"The Time It Never Rained" was first published in 1973 by Doubleday and reprinted last year by Texas Christian University Press. It won the Spur Award of the Western Writers of America as best novel of the year in 1973.

None of Kelton's works fit exactly into the stereotypical Western genre. "The Day the Cowboys Quit," for example, had to do with a labor strike called by cowboys against big landowners in the Texas Panhandle in 1883. "Nobody got shot to death in the story," Kelton said. "There wasn't any big gunfight. One man died in the whole book, and he died offstage."

In "The Good Old Boys," set in 1906, the conflict is between a likable but emotionally self-destructive cowboy, Hewey Calloway, and his sister-in-law.

Some critics find Kelton's style a bit plodding. The women in his books are seldom explored in depth. "What West Texas does to a man is generally his theme," Greene said. "It is mostly men in masculine traps, like the world he lives in."

Kelton spends his working days traveling the vast arid ranch country for The Livestock Weekly, a kind of cowboy's Wall Street Journal. The weekly, with a circulation of 16,000, is published in San Angelo, and Kelton does "everything but sweep out at night," as he puts it.

This work keeps him on the ground. "I'm out among real people every day," Kelton said. "The people I talk to are the grandsons and great-grandsons of my characters. We do not really change that much from one generation to another." He lives here with his Austrian wife, Anna, whom he met while in the U. S. military in Europe after World War II.

Kelton might never have become a writer had he not been such a bad cowboy. He grew up on a ranch, the son of a cowboy, in Upton County, at the edge of the Texas sand hills. He was not much good at roping and riding, but he loved to read, much to his father's chagrin.

"My father was a cowboy," he said. "To him, work was something you did on horseback or with a shovel." Even so, Buck Kelton ultimately became his son's chief technical expert for descriptions of castrating a horse or raising a windmill.

"If I really had been a good cowboy like I wished I could have been," Kelton said, "I'd probably be still working on some ranch out on the Pecos River. You never know where your blessings lie."

PEOPLE

Clavell Novel Sets Record

James Clavell's novel "Whirlwind" has been purchased for $5 million by William Morrow & Co. and Avon Books. The price, including North American hardcover and paperback rights, far exceeds that paid for similar rights to any other book. Publishing sources said another publisher bid $6 million for the book, but provided for a payout over so many years that the deal would not have been as profitable. Lawrence Hughes, head of Hearst Books, which owns Morrow and Avon, said Morrow plans to publish it in hardcover in the fall.

□

"Hymn to the Universe," a sculpture by the Swedish artist Karl Momen that took four years and more than $1-million to complete, is to be unveiled Jan. 18 on the barren white expanse known as the Bonneville Salt Flats in Utah, about 100 miles (160 kilometers) west of Salt Lake City. The 80-foot (24-meter) sculpture, in the shape of an abstract tree, holds six brightly colored concrete balls above the desert flats, which are better known for world speed records. It took the artist four years to complete the work, which includes 150 tons of steel, 200 tons of concrete and 100 tons of crushed Utah rocks.

□

Lyndas Stuart on Monday became the first girl and the first black to be appointed student captain of Westminster School in London, since it was founded in 1560. Stuart, 17, who has won a place at Cambridge University to study medicine, is the daughter of Sir Kenneth Stuart, a professor of medicine from Barbados who lives near London. Westminster began accepting female pupils only in 1972. About 10 percent of its 600 pupils are girls.

□

Abraham Lincoln's boyhood home in Hodgenville, Kentucky, was sold for $120,500 at auction on Saturday. Julian Howard of New Haven, Kentucky, grandson of the man who purchased the 200-acre Knob Creek Farm in the 1930s, cast the high bid for a group of 15 relatives. His aunt, Mary Brooks Howard, was the seller. She had been struggling to operate the farm since the death of her husband. Lincoln, the United States's 16th president, was born at Hodgenville on Feb. 12, 1809. A shrine in the town, about 60 miles southwest of Louisville, includes a log cabin believed to have been his birthplace. The Lincolns moved about 10 miles east to the farm two years later and remained there for five or six years, before heading to Indiana and then Illinois. The original cabin on the farm was torn down years ago; a replica built by the Howards attracted 16,300 people in 1984.

□

Kate Smith, 78, the singer known for her rendition of "God Bless America," had her right leg amputated Sunday in Raleigh, North Carolina, because of circulatory complications due to diabetes, doctors said. . . . The actress Geraldine Page is listed in stable condition at New York Hospital, according to hospital officials. Page, 61, currently starring off-Broadway in "A Lie of the Mind," was admitted Thursday for exhaustion and hypertension according to the company manager for the show.

□

Bishop Desmond Tutu, Anglican bishop of Johannesburg, was named the 1986 recipient of the Martin Luther King Jr. Nonviolent Peace Prize on Sunday. He will be presented the King award at a service at Ebenezer Baptist Church in Atlanta on Jan. 20.

□

Patty Duke, president of the Screen Actors Guild, will marry an U. S. Army drill sergeant on April 26, her publicist said. Duke, 38, met Sergeant 1st Class Michael Pearce last October while filming the CBS-TV movie "A Time to Triumph," in which she portrayed a housewife who became an Army pilot to support her family. The movie was broadcast Tuesday. Pearce, 31, is a drill sergeant at Fort Benning, and has been in the Army for 11 years. . . . The tennis star John McEnroe and the actress Tatum O'Neal, 22, will marry Feb. 17 in New York, two days before McEnroe's 27th birthday, the London Daily Mirror reported.

□

The actress Jessica Lange gave birth to a girl, her first child with the playwright Sam Shepard, in Santa Fe, New Mexico, on Saturday.

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